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Japan

Vice Finance Minister on Trade Framework

OW1307105093 Tokyo KYODO in English 1027 GMT 13 Jul 93

[Text] Tokyo, July 13 KYODO—The newly appointed vice finance minister for international affairs said Tuesday [13 July] the recently signed Japan-U.S. trade framework is no more and no less than what it plainly states and hence there should be no conflict over its interpretation.

Kosuke Nakahira, speaking at his first press meeting after replacing Tadao Chino the same day, said it is now time to start taking more concrete steps.

With regard to criticisms that Japan apparently allowed the United States to take initiatives in the trade negotiations, Nakahira said, "each country has their way of doing things."

Japan and the U.S. reached a pact Saturday on a framework for bilateral trade. No specific "targets" were included in the statement but U.S. officials have stated their concrete "interpretations" of wordings such as to what extent Japan's current account surplus should be reduced.

"Short-term frictions tend to attract attention but the relationship...ought to be observed from medium- to long-term perspectives," he said.

Nakahira was previously director of the ministry's International Finance Bureau. Chino became an adviser to the Finance Ministry.

At the same press meeting, Chino said he hopes Japan will continue to contribute to the prosperity of Asia, cooperating with nations in the region and helping them to play a more responsible global role as their positions gain increased significance in the world due to their growing economic power.

Chino said Japan itself needs to achieve noninflationary sustainable growth focusing on domestic demand, make serious attempts to promote foreign access to the Japan's markets and keep up its economic aid to countries in need.

Chino said he will likely visit the central Asian republic of Uzbekistan, to whose president Chino serves as an adviser.

Deputy Director Okamura: NPT 'Unequal'

PM1307102593 Paris LIBERATION in French 9 Jul 93 p 12

[L.L. report: "Nuclear Taboo Cracks in Japan"]

[Text] Tokyo—Nearly 50 years after Hiroshima is Japan contemplating obtaining the nuclear bomb in the more or less distant future? The debate—taboo in Japanese public opinion—has taken place over the last few weeks amid the preparations for the G-7 "political declaration." In this document the extension of the Nuclear Nonproliferation Treaty [NPT] (planned for 1995) is described as "indefinite." The initial version is also said to have read "unconditional." "Japan was opposed to this," Japanese Foreign Minister Kabun Muto explained yesterday.

"We have a few questions on the treaty as it currently stands," Yoshifuni Okamura, deputy director of the Foreign Ministry's Nuclear Division, explained to LIBERATION yesterday. "The Nuclear Nonproliferation Treaty," he continued, "is an unequal treaty. On the one hand you have five countries that can have nuclear arms. On the other, all the others who are prohibited from having them. But," he explained, "we have no intention of calling into question our commitment not to possess nuclear weapons." On the other hand, recent developments in North Korea raise another hypothesis: "If North Korea obtains nuclear weapons, there will be a debate in Japanese public opinion regarding the means of confronting this situation. And this could weaken our commitment to the Nuclear Nonproliferation Treaty." In other words, what Japan wanted to prevent was a situation whereby it is impossible for it to ever obtain nuclear weapons if its Korean neighbor succeeds in doing so. A hypothesis that one can imagine will cause some hullabaloo among Japan's neighbors.

Spokesman: Tokyo Not Preserving Nuclear Option

OW1307114993 Tokyo KYODO in English 1120 GMT 13 Jul 93

[Text] Tokyo, July 13 KYODO—Japan does not oppose an indefinite extension of the Nuclear Non-Proliferation Treaty (NPT) because it has no plans to possess nuclear weapons, Foreign Ministry spokesmen said Tuesday [13 July]. "If Japan is viewed internationally as trying to preserve a nuclear option, that is not the Japanese Government's true intention," Spokesman Masamichi Hanabusa told reporters.

Hanabusa said Japan will continue adhering to its "three nonnuclear principles" of not manufacturing, possessing or introducing nuclear weapons into its territory.

The spokesman's remarks followed Japan's intervention at last week's Group of Seven (G-7) summit to thwart a strong G-7 endorsement of the NPT's indefinite extension beyond 1995. The move gave rise to speculation that Japan is moving for the right to become a nuclear power if North Korea succeeds in acquiring nuclear weapons capability.

Hanabusa said the government for the moment favors extending the treaty for "as long as possible. Obtaining Diet ratification of an international treaty entails a variety of necessary measures" he said, adding there is a "qualitative difference" between the terms "as long a period as possible" and "indefinitely."

Deputy Spokesman Sadaaki Numata told foreign correspondents earlier that Japan has "no intention of acquiring nuclear weapons." Numata was responding to a North Korean Foreign Ministry statement issued Sunday warning of Japan's intention to arm itself with nuclear weapons "at any cost" under the pretext of countering a North Korean nuclear threat.

"We entertain no such ambition," he said, adding it is highly doubtful that recent developments in North Korea are "propelling or driving us toward pursuing our own nuclear option."

Numata said some political forces in Japan demand that the nuclear powers fulfill their obligations under the NPT before any indefinite extension. Article 6 of the treaty states that nuclear weapon states should strive for further nuclear disarmament. "Some people may justifiably raise the question as to what extent that objective has been met," the spokesman said.

He added the problem of insufficient nuclear disarmament is also "tied in to the question raised by some Third World countries of the perceived inequity between the signatories of the NPT."

"It is such a complex problem that we can't simply gloss over it," he said.

Numata said Tokyo wants the issue "thrashed out" because there was considerable national debate when Japan joined the NPT in 1970. "After all, it does concern a course which the nation is to follow for quite some years to come."

He said an alternative to indefinite extension could be extension for a fixed period, at the end of which there could be a decision to extend it indefinitely.

Australia, New Zealand Seek Wider Dairy Access

OW1307082493 Tokyo KYODO in English 0731 GMT 13 Jul 93

[Text] Tokyo, July 13 KYODO—Australia and New Zealand have urged Japan to widen their access to the dairy products market following a Japan-U.S. accord to increase Japan's imports of some dairy products, Japanese farm officials said Tuesday. The Japan-U.S. agreement, signed last September to extend a 1988 bilateral agreement on Japan's import quotas for three years, calls on Japan to increase whey for feed and three other dairy products by 2,000-10,000 tons annually beginning in fiscal 1992.

Australia and New Zealand denounced the Japan-U.S. accord for attaching too much importance to the United States and demands import quotas be set for butter and powdered milk, the officials said.

Japan controls butter and powdered milk imports through Livestock Industry Promotion Corp., which is authorized to import these dairy products depending on the domestic supply situation.

The Ministry of Agriculture, Forestry and Fisheries is sending officials to Australia and New Zealand to explain Japan's policy on dairy products as Tokyo plans to reject the request, the officials said.

In 1987, a dispute-settling panel of the General Agreement on Tariffs and Trade recommended that Japan liberalize its market for 10 agricultural products, powdered milk and starch. Japan so far has abolished annual import quotas for most agricultural products, but still retains controls on imports of powdered and condensed milk and butter.

Boat With 37 Vietnamese Docks at Nagasaki Port

OW1107131993 Tokyo KYODO in English 1254 GMT 11 Jul 93

[Text] Nagasaki, July 11 KYODO—A small wooden boat carrying 37 Vietnamese boat people, including two pregnant women and an infant, was escorted into the port of Nagasaki after a three-week voyage, immigration officials said Sunday [11 July]. The boat was spotted in Japanese territorial waters off Uji Island south of Kagoshima Prefecture on Saturday, and led into the port Sunday afternoon, said the officials of the Fukuoka Immigration Control Bureau.

The 37 Vietnamese-speaking passengers ranged in age from 18 to 28, and officials identified the 25-year-old captain of the ship as Luu Dinhth. The officials quoted Dinhth as saying the boat slipped out of the northern Vietnamese port of Do Son on June 19 and headed for Japan.

The immigration officials said that they would initiate legal procedures Monday to issue landing permits to the 37 passengers, who were tentatively allowed to disembark at the southern Japanese port. The people will be taken to refugee accommodation facilities in Omura, Nagasaki Prefecture, where they will be interviewed by Japanese authorities to determine whether they should be given political sanctuary, the officials said.

Japanese law says that Japan must provide political asylum to refugees who would be persecuted for political beliefs, religion, or ethnic background if sent back to their home countries. The refugee screening procedures often come under international criticism, however, for not meeting objective standards mandated under the U.N. Refugee Conventions which Japan ratified in 1981.

Records Detail Imperial Army Chemical Weapons

OW1007141793 Tokyo KYODO in English 1235 GMT 10 Jul 93

[Text] Sendai, July 10 KYODO—The defunct Japanese Imperial Army made at least two million poison gas weapons during the eight-year war with China that ended with Japan's surrender in 1945, according to army documents obtained by KYODO News Service.

The documents, apparently unnoticed for years in the library of the Defense Agency's National Institute for Defense Studies in Tokyo, provided the first evidence about the number of such weapons made by Japanese imperial forces, said Kentaro Awaya, a historian and professor at Tokyo-based Rikkyo University. Awaya said that in 1983 he found secret Imperial Army files at the national archives in Washington detailing the use of gas weapons in the war, but they included little information about the quantity of such arms.

The documents found in Washington indicate that poison gas weapons were used in China during the war, although the Japanese Government has denied the allegations.

Dated between 1932 and 1941, the Tokyo records of military weapons and equipment contain specific details about the quantity and type of chemical arms produced by the former Japanese Army. Weapons listed include shells, bombs to be dropped from aircraft, and smoke pots with poison gas such as mustard gas, a deadly corrosive gas had already been banned under international law.

In 1941, the peak production year, the former army made about 600,000 poison gas weapons, the documents said. The newly found figure supports a Chinese Government report submitted last February to the Geneva-based United Nations Conference on Disarmament saying that two million poison gas shells were abandoned in China.

But historians say the number of weapons produced during the war may have been larger than two million because the army continued making the arms through 1944, three years after the period covered by the documents.

Two years ago, the People's Liberation Army of China released a report saying that more than 80,000 people were killed in about 2,000 poison gas attacks by the former Japanese Imperial Army.

Miyazawa Arrives in Hokkaido To Survey Damage

OW1307130893 Tokyo KYODO in English 1253 GMT 13 Jul 93

[Text] Hakodate, Hokkaido, July 13 KYODO—Prime Minister Kiichi Miyazawa cut short election campaigning in central Japan on Tuesday [13 July] evening to visit southwestern Hokkaido and survey damage caused by the powerful earthquake which hit the area late Monday.

Miyazawa flew into Hakodate at the southern tip of the northernmost main island from Nagoya where he has been on the stump for candidates in Sunday's general election. He told reporters at Hakodate airport the quake was a terrible occurrence and he would do his utmost for the victims.

The prime minister headed for Esashi, where prefectural officials will inform him about the disaster.

Earlier in the day, Miyazawa said in Nagoya he sympathizes with those who died and their families. He said the government will do its best for them and indicated applying a law on special financial assistance for severe disasters.

Miyazawa and a government inspection team headed by National Land Agency Director General Takashi Inoue are scheduled to go to Okushiri island early Wednesday morning by Self-Defense Forces (SDF) helicopter for an on-the-spot inspection.

The 143-square-kilometer island, located 18 kilometers off Hokkaido, was hit hardest by the quake. Of its population of 4,700, 60 people were killed and 155 left missing as of Tuesday night, according to officials.

The government set up disaster relief headquarters Tuesday morning with hundreds of police, SDF troops and Maritime Safety Agency personnel engaged in rescue operations in Hokkaido and along Honshu's Japan sea coast.

Mitsuzuka Urges Reshuffle of Ruling Party Lineup

OW1007065993 Tokyo KYODO in English 0629 GMT 10 Jul 93

[Text] Kumamoto, July 10 KYODO—The chief of the ruling party's policy board called Saturday [10 July] for a complete reshuffle of the party leadership after the July 18 general election.

Hiroshi Mitsuzuka, chairman of the Policy Affairs Research Council of the Liberal Democratic Party (LDP), said the top three party executives should quit whatever the result of the election. The three are LDP Secretary General Seiroku Kajiyama, Koko Sato, chairman of the Executive Council, and Mitsuzuka himself.

Mitsuzuka, head of the largest LDP faction, made the remark to reporters at Kumamoto airport.

Asked about Prime Minister Kiichi Miyazawa's future, Mitsuzuka suggested Miyazawa, who is also LDP president, may step down after the election, saying, "I think he will make his own decision."

Meanwhile, Kajiyama said at a press conference in Sapporo that even if it loses its majority, the LDP will stay in power after the election through a coalition of conservative forces.

"Although the conservatives have split, they do not differ so much," he said. "It is natural for the LDP to take the leadership, form a coalition and cooperate on policy."

Kajiyama said a non-LDP coalition government would surely collapse as the No. 1 opposition Social Democratic Party [of Japan] has not changed its defense and security policies.

JNP, Sakigake Agree on 'Political Ideals'

OW1007112293 Tokyo KYODO in English 1042 GMT 10 Jul 93

[Text] Tokyo, July 10 KYODO—The Japan New Party (JNP) and the newly born Sakigake [Harbinger], a ruling party breakaway, announced Saturday [10 July] they have reached an accord to form a joint parliamentary group after the July 18 general election for the House of Representatives.

JNP leader Morihiro Hosokawa and Masayoshi Takemura, leader of Sakigake (Harbinger), made the announcement at separate press conferences in Osaka and Hikone, Shiga Prefecture, respectively. The agreement states the two parties will exercise influence from outside a government formed after the election, distancing themselves from the ruling Liberal Democratic Party (LDP) and noncommunist, non-LDP opposition forces which aim to forge a coalition if the LDP fails to secure a majority in the election.

The two parties agreed on political ideals, basic policies, and a political constitution. The two parties said they "will not forge a coalition with the LDP, which scrapped political reform."

Hosokawa earlier said in a campaign speech that his party would merge with Sakigake after the election.

Takemura, a former Shiga governor, told reporters that the merger depends on the two parties' achievements in the Diet.

The journalist-turned politician Hosokawa, a former LDP member of the House of Councillors and a former Kumamoto governor, formed the JNP in May last year.

Takemura and nine other LDP defectors inaugurated Sakigake in late June after the June 18 dissolution of the House of Representatives.

Prime Minister Kiichi Miyazawa dissolved the lower house after an opposition-led no-confidence vote was passed against his government with the help of LDP rebels.

The JNP, which has no seat in the lower house, is fielding 56 candidates in the general election, while Sakigake is fielding 16 candidates for the 511-seat lower chamber.

Five noncommunist opposition parties have agreed to cooperate in the election in the hopes of forming a coalition government after the vote. They are the Social Democratic Party [of Japan], Komeito, the Democratic Socialist Party, the United Social Democratic Party, and Shinseito [Japan Renewal Party], another LDP breakaway led by former Finance Minister Tsutomu Hata.

The LDP had 275 seats in the lower house when it was dissolved in June, including the lower house speaker, Yoshio Sakurauchi, who returned to the ruling party after the dissolution. But the LDP's pre-election strength was reduced to 227, well below a simple majority of 256, following the defection of 48 members.

Komeito Head Proposes Opposition Summit

OW1007102793 Tokyo KYODO in English 1009 GMT 10 Jul 93

[Text] Sendai, July 10 KYODO—Komeito Chairman Koshiro Ishida on Saturday [10 July] proposed a summit of five noncommunist opposition parties after the July 18 general election to discuss the establishment of a coalition government.

Ishida, on a campaign tour of this northern city, predicted that the ruling Liberal Democratic Party (LDP) will lose its majority in the powerful House of Representatives as a result of the election. "(We) would like to discuss the framework for a coalition government, including its basic policy," Ishida told reporters at a news conference.

The five opposition parties consist of the Social Democratic Party [of Japan] [SDPJ], Komeito, the Democratic Socialist Party, the United Social Democratic Party and the splinter conservative Shinseito (Japan Renewal Party).

Ishida expressed hope that the Japan New Party [JNP] and the newly formed Sakigake (Harbinger) will attend the opposition summit.

"The most urgent task now is to end the single party rule by the LDP, and competition among reformist groups should be avoided to attain the goal," he said.

Ishida called on the opposition leader SDPJ to make clear its stance on foreign and defense policies during the election campaign period. He expressed hope that the three newly born parties—Shinseito, JNP and Sakigake—will also clarify their positions concerning political donations by business organizations.

SDPJ Head: Accord Possible With New Parties

OW1207062793 Tokyo KYODO in English 0546 GMT 12 Jul 93

[Text] Yamaguchi, July 12 KYODO—The No. 1 opposition Social Democratic Party [of Japan, SDPJ] (SDP) may be able to reach an agreement on policies with two new parties after the general election on Sunday [18 July], party chairman Sadao Yamahana said Monday [12 July]. Yamahana, in a campaign speech in southwest Japan, said he believes it is possible for his party to reach an agreement over specific policy matters with the Japan New Party (JNP) and Sakigake (Harbinger).

His remark came two days after the JNP and Sakigake agreed to form a joint parliamentary group in the powerful House of Representatives after the Sunday poll, and said they will not join a possible coalition government with the ruling Liberal Democratic Party (LDP).

The JNP set up shop in May 1992 and Sakigake was created by 10 LDP rebels June 21. The two conservative parties are also cautious about joining a grand coalition of non-LDP forces to wrest the reins of government from the LDP.

In Tokyo, a labor union decided Monday not to throw further support to candidates fielded by another LDP splinter party, Shinseito (Japan Renewal Party), union officials said. The move by the Japan Telecommunications Workers' Union reflects the union desire to step up efforts to back SDP candidates, who face an uphill battle in the poll, analysts said.

But the National Federation of Iron and Steel Workers' Unions, though not giving full support to Shinseito, decided to help the party's candidates in five or six constituencies. Shinseito, headed by former Finance Minister Tsutomu Hata, was launched June 23.

Meanwhile, seven major labor unions under the umbrella of the Japanese Trade Union Confederation (Rengo) decided to siphon votes to candidates most likely to be elected in constituencies where there are two or more SDP candidates, officials said. The decision is attested to the unions' fear all the SDP candidates in such electorates may fail to be elected, the officials said.

The seven unions represent workers in the automobile, electronics, textiles, telecommunications, electric power and steel industries, and postal workers.

Yamahana Urges Committee for Policy Coordination

OW1307160293 Tokyo KYODO in English 1108 GMT 13 Jul 93

[Text] Miyazaki, July 13 KYODO—Sadao Yamahana, chairman of the Social Democratic Party [SDP], urged four other opposition parties Tuesday [13 July] to set up a preparatory committee after the July 18 general election to work out policy toward forming a coalition. The leader of the largest opposition party said at a news conference that political reform, foreign affairs, defense and economic policies will be on the committee's agenda.

The four other parties seeking to form a coalition government are Shinseito (Japan Renewal Party)—a breakaway from the ruling Liberal Democratic Party (LDP)—Komeito, the Democratic Socialist Party and the United Social Democratic Party.

Yamahana indicated he will also call on Sakigake (Harbinger), another LDP breakaway, the Japan New Party [JNP], and the Democratic Reform Coalition Party, formerly known as Rengo-Sangiin, to take part in the committee. Sakigake and the JNP, which have agreed to form a unified parliamentary group after the election, have said they will not join a coalition with the LDP or other opposition parties.

Meanwhile, eight SDP former lower house members, including party Vice Chairman Shizuo Wada, told reporters they urged the leadership not to form a coalition with Shinseito. They said Shinseito's policy on defense differs with that of the SDP.

Masayoshi Takemura, leader of Sakigake, told reporters in Kobe it would be difficult for opposition parties to establish a coalition after the election.

Parties Continue To Solicit Funds From Firms

OW1307013193 Tokyo KYODO in English 2344 GMT 12 Jul 93

[By Tadashi Matsumoto]

[Text] Tokyo, July 13 KYODO—Despite public criticism of Japan's money-based politics, party campaigns for the July 18 House of Representatives general election are proving as costly as ever. Under the present multiseat system, in which each constituency has three to five seats, candidates from the ruling Liberal Democratic Party (LDP) are competing with each other as well as with opposition candidates in the same constituency. And many complain that the cost of constructing prefab election offices and employing local campaign helpers is far from cheap.

Japan has had an endless string of political scandals in recent times, from the 1976 Lockheed bribery case and the 1988 Recruit stock scandal to the Tokyo Sagawa Kyubin money-and-mob scam last year and most recently the huge tax evasions of former LDP kingpin Shin Kanemaru. But the signs continue to suggest that the government's cozy partnership with big business is unlikely to change overnight.

Finance Minister Yoshiro Hayashi recently admitted he had asked his friends in major city banks and other financial institutions to donate election funds "as a politician" and not in his capacity as finance minister. He later said he would refuse donations from the industry to prevent any misunderstanding rising from his position as a cabinet minister. Construction Minister Kishiro Nakamura also admitted he had requested major construction companies to donate election campaign funds.

The LDP asked the banking industry to donate 20 billion yen before the official campaign started on July 4, and eight major city banks have already extended 10 billion yen in loans. The LDP has also asked leading Japanese companies for political donations totaling 3 billion yen, informed sources said.

The Federation of Economic Organizations (Keidanren), a group of more than 100 major firms and a key financial source for the ruling party, donates 13 billion yen every year to the LDP and about 1 billion yen to the opposition Democratic Socialist Party (DSP).

The heads of the nation's four major business lobbies agreed on July 1 to rethink their policy of backing the LDP "after seeing progress on political reform and restructuring" after the election, suggesting they might extend support for fledgling parties like the Japan New Party and the two LDP breakaway groups—Shinseito (Japan Renewal Party) and Sakigake (Harbinger).

Nevertheless, ruling and opposition parties have reiterated that they are conducting "honest poverty" election campaigns, spending only the legal limit for election expenses on each candidate of between 24 million yen and 35 million yen. The ruling party has distributed 25 million yen each to 285 candidates in election expenses, a total of more than 7 billion yen. The Social Democratic Party (SDP), Japan's largest opposition party, prepared a total of 1 billion yen for 142 candidates and the DSP collected a total of 500 million yen for 28 candidates, party sources said. The Komeito, backed by the Buddhist lay organization Soka Gakai, has not disclosed its election funds. Shinseito gave 20 million yen each to 69 candidates, the Japan New Party provided 3 million yen each to 57 candidates and Sakigake distributed 10 million yen each to 16 candidates, sources said.

Michitoshi Takabatake, a political science professor at St. Paul's University, said the pattern of campaign and political donations will never change even if a bill to tighten control of political funds is enacted in the future. "Even if the LDP collapses, the business circle will give funds to new conservative parties to preserve their vested interests," he said. He said Japanese bureaucrats have ultimate administrative authority over public works projects and that business circles try to gain contracts through the influence of politicians. Japan's political system will never be cleaned up unless this triangular relationship is scrapped, he said.

Key Panel Chief Applauds Conservative Parties

OW1307160393 Tokyo KYODO in English 1039 GMT 13 Jul 93

[Text] Tokyo, July 13 KYODO—The chief of a key government advisory panel applauded Tuesday [13 July] three new conservative parties as having broken "established conventions" in politics. "I believe we could show respect for the people who have broken established conventions," said Eiiji Suzuki, who chairs the ad hoc Commission on Administrative Reform, in a speech.

Suzuki was referring to the emergence of three anti-Liberal Democratic Party centrist parties—the Japan New Party, Sakigake (Harbinger) and Shinseito (the Japan Renewal Party) led by former Finance Minister Tsutomu Hata—as the snap election is set for July 18.

"Japanese politics are now in the first stage of reform, and it would take two or three years, maybe four or five years at the longest, to see politics stabilize," Suzuki said. "But this is a necessary process of creating new politics," he noted, referring to a conservative two-party system sought by the business community.

Asked about his commission's report to be presented in October, Suzuki said he wants to include in it proposals for deregulation and relaxation of rigid administrative systems. "Having our eye on the 21st century, we would like to make it as substantial as possible," he noted.

Poll: LDP Not Expected To Maintain Majority

OW1307125893 Tokyo KYODO in English 1225 GMT 13 Jul 93

[Text] Tokyo, July 13 KYODO—Prospects of the governing Liberal Democratic Party (LDP) retaining its majority in the July 18 House of Representatives election are slim, the public Japan Broadcasting Corp. (NHK) predicted Tuesday [13 July]. But newly formed parties are expected to make a significant advance, an NHK survey showed.

The public broadcaster polled 107,400 eligible voters across the country from Friday to Sunday.

Of the LDP's 285 candidates, 180 are almost assured of a victory but 70 are struggling to survive the election, the survey showed. Even if the 70 LDP contenders are successfully elected, the party will fall short of maintaining a simple majority of 256 seats in the 511-seat lower house, it said.

The No. 1 opposition Social Democratic Party (SDP) will find it difficult to win 100 seats, far less than the 134 it held before the dissolution of the lower house June 18.

A newly formed LDP breakaway party, Shinseito (Japan Renewal Party) and another LDP breakaway Sakigake (Harbinger) are aiming to add strength to their previously held seats. Shinseito held 36 seats and Sakigake 10 before the dissolution.

The 13-month-old Japan New Party is projected to garner 30 or more in its first challenge for the lower house, it said.

Other established opposition parties—Komeito, the Democratic Socialist Party and the Japanese Communist Party—are likely to augment their strength slightly.

Prosecutors Seize Cash in Mayor's Bribery Case

OW0907212793 Tokyo KYODO in English 1457 GMT 9 Jul 93

[Text] Tokyo, July 9 KYODO—Prosecutors have seized 220 million yen in cash in connection with a bribery case involving former Sendai Mayor Toru Ishii, under arrest for allegedly receiving a 100 million yen bribe, sources said Friday. They believe major construction companies and other concerns gave Ishii, 67, the 220 million yen in secret donations, the sources said.

The prosecutors are investigating whether Ishii, who resigned Saturday after he was arrested June 29, had taken further bribes besides the 100 million yen, they said. The investigators recently took 40 million yen from the house of an acquaintance of Ishii. The acquaintance reportedly told prosecutors that Ishii last month requested him to keep the 40 million yen.

Prosecutors have also confiscated 70 million yen from the residence of Tadashi Kikuta, 61, a company president who has also been arrested, and 110 million yen from the home of a local official of the ruling Liberal Democratic Party (LDP). Though Ishii is not a member of the LDP, the ruling party had supported him in mayoral elections.

In the nine years since he became mayor in 1984, Ishii is believed to have been received cash many times from construction companies and others, and stored the money in his Sendai apartment, the sources said. Ishii has apparently asked his acquaintances to keep the cash in their homes after he became aware the prosecutors suspected him, they said.

Prosecutors arrested June 29 nine people, including Ishii, Kikuta and top executives of four major construction companies. The executives were suspected of giving a 100 million yen bribe to Ishii in April 1992 in return for favorable treatment on bidding for municipal public construction projects.

Ministry Decides To Raise Travel Agency Bond

OW1207130893 Tokyo KYODO in English 1226 GMT 12 Jul 93

[Text] Tokyo, July 12 KYODO—The Transport Ministry on Monday [12 July] decided to raise the travel agency bond eventually by up to 87 percent, in view of a recent increase in business failures involving travel agents, ministry officials said. The goal of the proposed increase in the business guarantee bond is to provide greater consumer protection, the officials said. The revision falls under the regulations for enforcement of the Travel Agency Law.

The bond to be deposited with the government by domestic and overseas travel agents organizing package tours will be raised in two stages from the present 37.5 million yen: The first raise of 49 percent to 56 million yen from October 1, and the second boost to 70 million yen from October 1, 1995.

The bond payable by travel agents handling personal tours will only be increased to 7 million yen from the current 6 million yen, effective October 1.

The bond payable by domestic travel agents handling package tours will be boosted to 11 million yen from the current 7.5 million yen, and those handling personal tours to 2.5 million yen from the present 2.1 million, also from October 1.

About 7,400 travel agents will be affected by the revised regulations. These agents are obligated to deposit the balance between the new and existing bond with the government within a period of three months starting October 1.

Ministry officials said 15 members of the Japan Association of Travel Agents went bankrupt or went out of business under the pressure of heavy debts in fiscal 1992 amid a deepening business slump, compared with nil in the previous year.

In another national organization, made up of domestic travel agents, a total of 46 members went bankrupt or went out of business during fiscal 1992, a sharp increase from the 15 in the previous year. The trend toward more failures is continuing into fiscal 1993, the officials also said.

Productivity Center Chairman Warns Against Myth

OW1307160593 Tokyo KYODO in English 1002 GMT 13 Jul 93

[Text] Karuizawa, Nagano Pref., July 13 KYODO—Masao Kamei, chairman of the Japan Productivity Center, on Tuesday [13 July] warned against the myth that Japan's economy will keep growing without interruption.

Kamei was apparently referring to the perception that spread in Japan during the era of the easy-money "bubble" economy of the late 1980s. He made the remark at the center's annual seminar of top business leaders, being held in this summer resort for a four-day run until Friday. The Japan Productivity Center is a foundation set up by the Ministry of International Trade and Industry.

Noboru Makino, adviser at the Mitsubishi Research Institute, said the Japanese economy is now suffering from a "compound fracture" under the impact of the bursting of the bubble economy. Makino stressed Japanese businesses should make reform efforts by promoting restructuring, innovation and globalization.

Kamei, an adviser at Sumitomo Electric Industries Ltd., underscored the need for Japan to open its markets more by removing exclusive business practices. The forthcoming general election will provide a good opportunity for Japan to get rid of cozy relationship among politicians, businesses and bureaucracy, Kamei said.

Being held amid the prolonged slump in the economy and the political confusion that threatens to end the ruling party's long grip on power, this year's seminar is focusing on ways to better reform Japanese management structures. On the second day, topics will center on labor practices in Japan.

Mongolia

Kyrgyz President Holds Talks in Ulaanbaatar

LD0907214593 Moscow ITAR-TASS World Service in Russian 1642 GMT 9 Jul 93

[By ITAR-TASS correspondent Kim Boldokhonov]

[Text] Ulaanbaatar, 9 Jul (ITAR-TASS)—President Askar Akayev of Kyrgyzstan arrived in Ulaanbaatar today at the invitation of Mongolian President Punsalmaagiyn Ochirbat. It is the first official visit to Mongolia by the president of Kyrgyzstan.

Talks took place in the afternoon between the two presidents, with the participation of the delegations of both sides. They considered a wide range of issues in the development of bilateral relations, as well as international problems of mutual interest. In his speech at a dinner in honor of Askar Akayev, P. Ochirbat commented that the talks on Kyrgyz-Mongolian relations and international problems demonstrated a coincidence of views between the two sides and (?a desire) to continue to develop cooperation between our countries on the basis of the principles of equality and mutual benefit.

In his speech, A. Akayev, touching on the prospects for cooperation between the two countries, said that while in Ulaanbaatar the Kyrgyzstan delegation intends to sign a number of documents laying the foundations for the development and prosperity of both countries. He expressed conviction that cooperation between Mongolia and Kyrgyzstan will serve the cause of strengthening peace and security in Asia and throughout the world.

New Law Offers Incentives to Foreign Investors

LD0107181093 Moscow ITAR-TASS World Service in Russian 0920 GMT 1 Jul 93

[Text] The law on foreign investments, which comes to force today, provides the legal support for the economic reforms in Mongolia. The law gives the enterprises with foreign and mixed capital a number of tax allowances. With introduction of this law the whole country becomes, virtually, one large free enterprise zone.

Thus, in accordance with the new law, foreign capital invested in such spheres as the fuel and energy complex as well as transport and communications will be completely free of tax for the first 10 years and will have to pay only half of the usual income tax for the subsequent five years. Similar allowances, albeit for shorter periods, are offered to joint ventures and foreign companies going into mining and metallurgical industries.

Enterprises which export at least 50 percent of their output from Mongolia will also pay no income tax for the first three years. The lease of land for the foreign companies signing a contract is limited to 60 years in the first instance, but could be extended to another 40 years subsequently. Only the government has a right to confiscate land from a lessee—in which case it is obliged to pay compensation and expenses.

Prime Minister 'Satisfied' With U.S. Visit

LD2606195793 Moscow ITAR-TASS World Service in Russian 1311 GMT 26 Jun 93

[By ITAR-TASS correspondent Dugar Sanzhiyev]

[Text] Ulaanbaatar, 26 Jun—I am satisfied with the results of my working trip to the United States, Mongolian Prime Minister Puntsagiyn Jasray told journalists today. He ended a 10-day visit to the U.S. during which he had meetings with representatives of the Washington administration, congressmen and senators, and visited major industrial centers.

A large part of the visit's program, which was at the invitation of the American-Mongolian Business Council, was dedicated to talks with U.S. business circles. They are showing an interest in the economic transformations in Mongolia which has renounced the socialist means of running the economy and is now open for economic cooperation with all countries of the world.

The Mongolian prime minister also held talks with the leadership of the IMF and other international currency and credit organizations supporting the economic reforms in Mongolia. The first foreign trip by P. Jasray as head of government has great significance for Asia's first post-communist country which is going through a profound economic crisis, local observers note.

North Korea

Daily Criticizes U.S. 'Policy of Strength'

SK1307050893 Pyongyang KCNA in English 0452 GMT 13 Jul 93

["Attempt To Slay Fellow Countrymen With Foreigner's Sword"—KCNA headline]

[Text] Pyongyang, July 13 (KCNA)—South Korean "President" Kim Yong-sam called upon the visiting U.S. President for "appropriate countermeasures," "South Korea-U.S. cooperation system" and "sanctions" against the North under the pretext of its non-existent "nuclear problem."

Commenting on this, a NODONG SINMUN analyst today says:

It is irresponsible and reckless of him to behave like this when the DPRK-USA talks for the settlement of the nuclear problem on the Korean peninsula is at hand. By so doing, he showed that he was very uneasy and annoyed at the DPRK-USA talks and the joint statement that came after it and was running wild, bereft of reason, to foil the forthcoming round of the talks.

Kim Yong-sam pleased the U.S. President's whim to get from him a promise to honor the "security commitments" and entreated him to reserve the projected "U.S. forces reduction." This is a despicable, treacherous act to prolong his miserable days by clinging to the coattails of his master.

The South Korean successive rulers met their disgraceful end and dishonor because they pursued a flunkeyist and treacherous policy following outside forces. What Kim Yong-sam has done shows that he is following in the footsteps of his predecessors. He is obviously walking a mistaken path. He will be held responsible before the nation for the consequencies arising therefrom and pay dearly for them.

During his South Korean tour the U.S. President did things against the desire of the Korean nation. All the acts of the U.S. seeking the settlement of the problems from the position of strength are unsuitable to the atmosphere of the forthcoming DPRK-USA talks and they hurt the U.S. honor. The policy of strength does not conform to the interests and desire of the American people. It is unfavorable to the U.S. itself.

Daily Berates Kim Yong-sam on Clinton Visit

SK1307020693 Pyongyang Korean Central Broadcasting Network in Korean 0023 GMT 13 Jul 93

[NODONG SINMUN 13 July commentary: "A Traitorous Group Attempting To Harm the Fellow Countrymen Borrowing a Sword from Others"]

[Text] The U.S. President made a junket [haenggak] to South Korea for two days on 10 and 11 July. There was a busy schedule in South Korea during this period, such as the talks between the U.S. President and Kim Yong-sam.

Our nation desires detente, peace, and reunification. However, the entire process of the U.S. President's junket to South Korea and the results of the talks led to an aggravation of confrontation and tensions, endangering peace, and further worsening North-South relations. This might help someone, but harms our nation a hundred times without a single gain.

The process of the talks and the results thereof showed that the U.S.-South Korean relations are thoroughly vertical relations [sujik kwangye] between one who rules and one who is ruled. In other words, the position of one side was to admonish, pacify, dandle, and inveigle [chumullochunun] and that of the other side was to cling, serve, beg, and flatter.

The words and acts which Kim Yong-sam, so-called South Korean president of civilian democracy, uttered and displayed in the presence of the U.S. President were really something to see. In a word, he displayed disgraceful behavior of begging diplomacy which will lead to self-destruction of the nation with a humiliating attitude deviating from the common practice of diplomacy and common sense, thereby putting dirt on national independence and dignity.

In particular, he mentioned the fictitious North's nuclear issue repeatedly in his froth-ridden mouth, babbling about proper counteraction, a ROK-U.S. joint cooperative system, and sanctions. He acted like this when the DPRK-U.S. talks were approaching. The talks are aimed at resolving the nuclear issue on the Korean peninsula. This is irresponsible and reckless. By so doing, he revealed himself that they are very restless and fretful because of the already realized DPRK-U.S. talks and the joint statement issued as a result of it and that they are recklessly running wild and unrationally [isongmajo ilko] trying to bar the gate to the upcoming DPRK-U.S. talks.

In view of Kim Yong-sam's words and acts, he, too, must be a thoughtless person [moljigakhan chonje] who can think of one thing but is incapable of thinking another thing.

Otherwise, why would he traverse such a road which will invite the nation's sacrifice and self-ruin by aggravating the situation, talking about appropriate countermeasures, retaliation, and sanctions, without pinning expectation on achieving the interests of the whole nation by solving the nuclear issue between us and the United States in a peaceful way?

His words and acts which curry favor with the boss who provides security for his power while he disregards the interests of the whole nation are enough to become the target of people's denunciation and condemnation.

Kim Yong-sam this time put on all sorts of coquettish airs in a bid to get assurance from the U.S. President on a security committment and begged him to withhold the reduction of U.S. forces. Such an act of his is an inconceivable, dirty treacherous act of maintaining his dirty life by clinging to his boss' shirt. While Kim Yong-sam was perpetrating such words and acts, the people, youth, and students throughout South Korea issued protest statements against the U.S. President's visit to South Korea and waged anti-U.S. rallies and demonstrations to defend the nation's dignity and to live independently.

Nevertheless, disregarding and running counter to the will of the South Korean people, the South Korean ruler, who claims to lead a civilian government and also claims that he is doing civilian politics, committed a dirty act of begging outside forces to provide security for his power. He also begged for the permanent stationing of foreign troops.

In the period of the Yusin regime and the Fifth and Sixth Republic regimes the South Korean people called Chongwadae [South Korean presidential offices] a dog pen and those who kept hold in it dogs. Such a title seems to be correct even today.

Kim Yong-sam failed to cope with the U.S. pressure calling for the opening of rice markets in such a direction as to protect the interests of the South Korean people, being taken by the scruff of his neck, and committed an act of selling out the South Korean people's interests.

Although he noisily clamored about the U.S. President's junket to South Korea there was neither a joint statement nor joint press statement. He gained nothing. What he only did was that he committed the flunkeyist and treacherous act of selling the nation's dignity and interests and the begging act of attempting to hurt the fellow countrymen by borrowing another's sword.

However, Kim Yong-sam should know that the biter sometimes becomes bitten. The successive rulers of South Korea traversed the road of shameful destruction and disgrace because they carried out the flunkeyist treacherous policy of following outside forces.

Considering his present acts, Kim Yong-sam is also following in the footsteps of his predecessors. Certainly he is heading on the wrong road, and he will not only be held responsible for the consequences which will arise therefrom, but will also pay dearly for them.

The U.S. President acted this time running counter to the aspirations and desires of our nation. All words and acts of the U.S. side which attempts to solve problems from the position of force do not go with the atmosphere of the present DPRK-U.S. talks and hurt the U.S. stature. The policy of force is not in accordance with the interests and desires of the American people and is by no means beneficial to the United States itself.

A number of people, youth, and students throughout South Korea, including Seoul and Kwangju, this time shouted anti-American slogans, issued statements, and waged rallies and demonstrations. These facts clearly show that the time has come when the United States should renounce its anachronistic policy of aggression and interference.

Commentary Denounces ROK's 'Begging Diplomacy'

SK1007061393 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 8 Jul 93

[Commentary by station commentator Chong Pong-kil: "A Servile Racket of Begging Diplomacy"]

[Text] Asking foreign forces to impose pressure and sanctions on us under the pretext of our fictitious nuclear issue, South Korean authorities are bent [yolul oligo itta] more than ever on a begging diplomacy [chongtak oegyo].

According to a report from South Korea, the South Korean ruler met with German Foreign Minister [Klaus] Kinkel in Seoul on 6 July and behaved himself disgracefully by requesting that Germany express its firm position on the North's nuclear weapons development at the G-7 [Group of Seven] summit meeting.

Prior to this meeting, Foreign Minister Han Sung-chu also met with Kinkel and committed a rash act of begging Germany's efforts for ensuring the inclusion of the Republic's nuclear issue in the political declaration of the upcoming meeting.

In a meeting with the Japanese foreign minister a few days ago, Han Sung-chu begged him to strengthen the already-established U.S.-Japan-South Korea tripartite cooperation system to resolve the North's nuclear issue. He has busily visited Russia and Great Britain to flatter and thank them for their cooperation in resolving the North's nuclear issue at the United Nations and at international agencies. Requesting their continuous cooperation, he begged them to show their resolute will at the UN Security Council in case the North does not revoke its decision to withdraw from the Nuclear Nonproliferation Treaty [NPT].

The rash acts [mangdong] of the South Korean ruling bunch are designed to do all out harm [haechida] to us fellow countrymen with help from foreign forces, while trampling upon national dignity and independence. These acts can only be committed by loathsome colonial stooges who lack the slightest degree of national conscience, but have deep-seated habitual flunkeyism and treachery.

As everyone knows, we have repeatedly proclaimed our position that we neither intend nor have the capacity to produce nuclear weapons. The entire world knows that we have no nuclear weapons.

The nuclear issue on the Korean peninsula was not caused by the North but by the threat posed by the United States' deployment of more than 1,000 nuclear weapons in South Korea, and by the South Korean rulers' secret acceleration of nuclear weapons development.

The problem rests in the fact that international reactionary forces conjured up the so-called suspicion of our nuclear development in order to find an excuse to stifle [apsal] our socialist system; that they infringed upon our sovereignty by absurdly demanding special inspections of our ordinary military facilities [ilban kunsa taesang] which have nothing to do with nuclear facilities [haeksisol]; and that the South Korean ruling bunch acted as a shock brigade for nuclear commotions by committing an antinational criminal act of aggravating North-South relations.

It is indeed a shameless act like that of a thief turning on the master for those who accelerate nuclear weapons development to impose a nuclear threat on us in collusion with outside forces and clamor about nuclear development by others. Furthermore, acts of the South Korean authorities who are currying favor with and clinging to outside forces in a bid to beg them to make fellow countrymen a scapegoat are indeed too mean.

If the South Korean authorities have even the slightest degree of national conscience and dignity they should express sympathy with our just self-defensive step of withdrawing from the NPT and should reject the international reactionaries' maneuvers of conspiring against and harming fellow countrymen.

However, far from doing so, they are wantonly perpetrating the mean act of begging big powers to impose pressure and sanctions on fellow countrymen under the pretext of a non-existent North nuclear issue fabricated by outside forces. What a shameless and dirty act this is.

The rascals' servile subservient diplomacy reveals the pitiful appearance of colonial puppets who make reliance on outside forces a way of life. Furthermore, the South Korean rulers' criminal maneuvers of attempting to impose sanctions and pressure on fellow countrymen by leading the G-7 summit to adopt a so-called political declaration, pinning expectations on the meeting, clearly show once again the dirty colors of the rascals as the faithful stooges of imperialism and as the treacherous group rejecting the nation.

There will only be stern justice from the nation for those who try to survive by treading the road of reliance on outside forces. South Korean authorities should find a due lesson from the miserable destiny of previous flunkeyist traitors and should act discreetly.

KCNA: South Ships 'Infiltrating' North Waters

SK1207225293 Pyongyang KCNA in English 1532 GMT 12 Jul 93

[Text] Pyongyang, July 12 (KCNA)—The South Korean puppets perpetrated a grave military provocation today by illegally infiltrating a group of combatant ships deep into the territorial waters of the North side on the West Sea.

Around 14:16, the South Korean puppets dispatched three combatant ships based in Taechong Island with a sinister intention to abduct a peaceful cargo ship of the North.

The combatant ships, having infiltrated deep into the territorial waters of the North side after crossing the Military Demarcation Line on the sea, tried in a battle formation to besiege a peaceful cargo ship of the North on voyage.

Due to the aggressive act of the South Korean puppets, the lives of the crewmen of the North were exposed to a grave threat.

Naval patrol boats of the Korean People's Army on duty to firmly defend the sea post of the socialist country made an emergency sortie to the spot. The South Korean combatant ships hurriedly fled South, failing to realise their criminal intention.

We cannot but consider as a more grave crime the military provocation of the South Korean puppets which timed to coincide with their conspiracy with outside forces in the vicious agitation for North-South confrontation over the fictitious "nuclear problem" of the North.

The reckless military provocation committed by the South Korean puppets in broad daylight was a deliberate and premeditated one to aggravate the situation on the Korean peninsula.

If the South Korean puppets continue perpetrating military provocations despite our repeated warnings, they will experience a disgraceful setback.

Daily: South Leaders Incite 'Confrontation'

SK0907105493 Pyongyang KCNA in English 1009 GMT 9 Jul 93

["Confrontation and War Moves Cannot Work"—KCNA headline]

[Text] Pyongyang, July 9 (KCNA)—The chief executive of South Korea is inciting confrontation and war fever against the North, saying that "full preparedness must be kept" and "preparations must be made for emergency." The puppet Defence Ministry is kicking up a racket of confrontation, spreading the lie that the North is "strengthening military posture with the aim of completing war preparations" by July 27.

NODONG SINMUN today brands the moves of the present ruling forces of South Korea for confrontation, aggravation of tensions and war as an anti-national crime against the growing desire of the nation for peaceful reunification and an open challenge to the sincere and persevering efforts of the North for national reconciliation and unity and North-South dialogue.

The author of the article says:

We put forward the 10-point programme of the great unity of the whole nation in April and proposed to the South side in May to exchange special envoys. The South Korean rulers answered them with provocative words getting on our nerves and war exercises against the North.

Facts show that the present ruling forces of South Korea seek confrontation with fellow countrymen in conspiracy with outside forces as the preceding military dictators did, though they are noisily advocating "civilian politics."

The South Korean rulers must act with discretion, immediately giving up the attempts to provoke and hurt fellow countrymen in collusion with outside forces.

KCNA: ROK 'Dam of Peace' 'Fabrication'

SK1307050993 Pyongyang KCNA in English 0435 GMT 13 Jul 93

["'Dam of Peace' Is Product of Clumsy Drama"—KCNA headline]

[Text] Pyongyang, July 13 (KCNA)—Kim Tok, director of the "Security Planning Board" [SPB] of South Korea at a recent meeting of the "Defence Commission of the National Assembly" said in connection with the construction of the "Dam of Peace" in 1986 that there was no mistake or exaggeration in the judgement of the "Security Planning Board" on the North's construction of Mt. Kumgang Dam and its danger.

His utterance is a false remark to disguise the fabrication of the SPB in the "fifth republic" and a base outcry to incite the conscience of confrontation against the North.

The construction of the "Dam of Peace" is a product of a clumsy drama invented by the SPB, spreading rumours about "the threat of flooding operation from the North" in a bid to tide over the crisis of the "fifth republic's regime".

At that time, the Chon Tu-hwan puppet clique built the "Dam of Peace" with the money squeezed from the South Korean people by mobilising the SPB to frighten them with a rumour that the North builds a dam and blows it up to make a mess of "88 Olympics" and inundate Seoul.

Voices of the South Korean people protesting against the construction of the "Dam of Peace" are now growing strong and turning into a repulsion for the present "civilian regime" which defends the preceding fascist dictators. Kim Tok, upset by this, spinned out such a preposterous rigmarole against the North.

His remarks eloquently tell that he is little different from Chang Se-tong who was a vicious "director of the SPB" during the Chon Tu-hwan puppet regime and is following in the wake of the preceding criminals.

Pyongyang Said To Have Canceled Sports Event

OW1007073093 Tokyo KYODO in English 0715 GMT 10 Jul 93

[Text] Tokyo, July 10 KYODO—North Korea has canceled the upcoming Pyongyang International Table Tennis invitational meet for domestic reasons, officials of the Japan Table Tennis Association said Saturday [10 July].

According to the officials, North Korean table tennis officials did not give specific reasons for their sudden cancellation of the yearly event, which was to open August 5 in Pyongyang.

North Korea also pulled out of the summer universiade in Buffalo, New York on Tuesday, two days before the games' start.

The Wednesday edition of South Korea's major daily JOONGANG ILBO quoted Li Guobin, a Chinese Foreign Ministry official, as saying that Pyongyang made the decision (to pull out of the universiade) because of such internal problems as the intense feud between the president and his son.

Li, who heads the Chinese committee to the International University Sports Federation, said the discord is related to North Korea's announcement in March of its intent to withdraw from the nuclear Non-Proliferation Treaty.

Li made the remarks to a South Korean representative at Tuesday's meeting of the university games' governing body, the JOONGANG ILBO said.

North Korea announced on March 12 it would pull out of the treaty in protest of demands by the International Atomic Energy Agency to open its two suspected nuclear sites for special inspection. Pyongyang suspended the decision in early June after four rounds of talks with the United States.

YONHAP news agency reported in late June, quoting a daily published by Russia's ITAR-TASS news agency, that the senior Kim, 81, had chided his 51-year-old son for his handling of the decision to withdraw from the treaty.

The junior Kim acted without consulting his father, according to media reports.

PRC Charge Holds Reception on Treaty Anniversary

SK1007045893 Pyongyang KCNA in English 0431 GMT 10 Jul 93

[Text] Pyongyang, July 10 (KCNA)—Ning Fukui, charge d'affaires ad interim of the Chinese Embassy in Pyongyang, arranged a reception at the embassy Friday [9 July] on the occasion of the 32nd anniversary of the signing of the treaty of friendship, cooperation and mutual assistance between China and Korea.

Invited there were Vice-president Yi Chong-ok and officials concerned.

Addressing the reception Ning Fukui said that the heroic Korean people were making great achievements in the work to build Korean-style socialism, upholding the banner of the three revolutions, ideological, technical and cultural, under the guidance of their great leader Comrade President Kim Il-song and the dear leader Comrade Kim Chong-il.

Noting that Comrade President Kim Il-song had put forward the "10-point programme of the great unity of the whole nation for the reunification of the country" in April he expressed the belief that the day would surely be brought by the sincere efforts of the Korean party and Government when the 70 million Korean people would live together.

"Sino-Korean friendship which was established and nursed by the great leader of the Chinese people Comrade Mao Zedong, Comrade Premier Zhou Enlai and Comrade Deng Xiaoping together with the great leader of the Korean people Comrade President Kim Il-song would certainly be conveyed through generations and be displayed forever," he stated.

Speaking next, Chairman of the State Commission of Science and Technology, Yi Cha-pang, who is chairman of the Central Committee of the Korea-China Friendship Association, said:

"The fraternal Chinese people are today registering great successes in the efforts to build socialism with Chinese character characteristics, fulfilling the tasks set forth at the 14th National Congress of the Communist Party of China and at the first session of the 8th National People's Conference. Our people rejoice over the daily growth of the might of the People's Republic of China, a neighbouring country, and hope that everything will go well in China in the future, too."

"We will make energetic efforts as in the past, so in the future, too, to continue to develop our friendly relations with China on good terms," he declared.

Kim Il-song Signs NAM Statement on Population

SK1107091193 Pyongyang KCNA in English 0837 GMT 11 Jul 93

[Text] Pyongyang, July 11 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea Saturday affixed his signature to the "Statement on the Population Stabilization" to be jointly issued by heads of state or government of the nonaligned countries on the occasion of the day of world population, which was sent by President Suharto of the Republic of Indonesia, chairman of the NAM [Nonaligned Movement]. President Kim Il-song sent a personal letter to President Suharto in reply to the latter's personal letter.

Kim Il-song Greets Mongolian Leader on Anniversary

SK1007113093 Pyongyang KCNA in English 1020 GMT 10 Jul 93

[Text] Pyongyang, July 10 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to President Punsalmaagiyn Ochirbat on the 72d anniversary of the people's revolution in Mongolia.

In the message President Kim Il-song wished the president and the people of Mongolia great success in their endeavours for the prosperity of the country.

He also expressed the belief that the friendly and cooperative relations between the two peoples would develop on good terms.

Mongolian Envoy Hosts Reception

SK1007044393 Pyongyang KCNA in English 0423 GMT 10 Jul 93

[Text] Pyongyang, July 10 (KCNA)—Mongolian Ambassador to Korea S. Gungaadorj hosted a reception at the Ognyu restaurant Friday evening on the occasion of the 72nd anniversary of the Mongolian people's revolution.

Invited there were Minister of Finance and Chairperson of the Korea-Mongolia Friendship Association Yun Ki-chong, Vice-minister of Foreign Affairs Cho Song-pom, Vice-chairman of the External Economic Affairs Commission Kang Chong-mo, Vice-chairman of the Committee for Cultural Relations With Foreign Countries O Mun-han, other officials concerned and foreign diplomatic envoys in Pyongyang.

Speeches were made at the reception.

NODONG SINMUN Stresses Army-People Unity

SK1007111693 Pyongyang Korean Central Broadcasting Network in Korean 0016 GMT 9 Jul 93

[NODONG SINMUN 9 July editorial: "Let Us Further Bloom Unity Between the Army and People"]

[Text] By deeply cherishing in their hearts the slogan put forward by the party Central Committee on the occasion of the 40th anniversary of war victory, "Let us further bloom the fine custom of unity between the Army and people which has been highly displayed in our society," our people and soldiers of the People's Army are highly demonstrating the fine custom of helping and leading each other with one mind.

This serves as clear proof of blood ties between our people and People's Army who are firmly and single-heartedly rallied behind the leader [suryong] and the leader [yongdoja]. This also demonstrates the superiority and vitality of popular, mass-centered socialism of our own style.

The fine custom of unity between the Army and people, which is being displayed in our society more highly than ever before, is a lofty outlook displayed on the basis of endless loyalty of our people and Army to defend with life dear leader Comrade Kim Chong-il and to uphold him with single-hearted filial piety.

The unity between the Army and people is demonstration of the idea of absolute admiration of the great leader [yongdoja] and of thorough faith.

Today our people and People's Army are overflowing with a sense of boundless pride in carrying out the revolution by upholding dear comrade leader in the highest position [choego suwi] of our party and revolutionary armed forces.

Nothing is more honorable and happier for our people and soldiers of the People's Army than to carry out the revolution by upholding dear comrade leader, who has both literary and military achievements, as supreme commander of the revolutionary Armed Forces.

As long as there is the respected comrade supreme commander, there is nothing that we are afraid of, and when we advance by upholding the leadership of the dear comrade leader, we will win victory without fail. This is the very firm faith and will overflowing in the hearts of our people and soldiers of the People's Army.

Because our people and soldiers of the People's Army have such lofty idea and emotion, they render loyalty and filial piety with one mind on the road of upholding comrade supreme commander, although their revolutionary outposts and missions are different from each other.

Today our people are actively and devotedly supporting with sincerity the soldiers of the People's Army, who are excellently fulfilling their mission to defend the fatherland by upholding the order and directives of respected comrade supreme commander. Soldiers of the People's Army are registering great feats and miracles, together with the people, in the rewarding struggle to achieve the party's gigantic plans for socialist construction. All this is based on the sense of lofty loyalty to brilliantly realize the ideas and intentions of dear comrade leader.

The fine custom of unity between the Army and people, which has fully bloomed in our society, is an outlook of the whole society which has been universalized [popyonhwahada] among all the people and soldiers of the People's Army.

Today our people, in units ranging from individual family to plant, enterprise, and school, visit and actively support the People's Army. This has become part of their lives. Thus, they displayed a number of example of fine customs of offering their own blood and flesh without hesitation to soldiers of the People's Army.

Soldiers of the People's Army regard it as their deserved mission to sincerely and devotedly help the people. They are effecting many things good to the people, thus offering all of their youth and lives to defend the people's life and property.

Such fine customs that bloomed in our society are a proud epic reflecting the noble ideological and mental world of our people and soldiers of the People's Army.

The fine custom of unity between the Army and people, which is highly displayed in our society, is a revolutionary fine custom demonstrated in the worthwhile struggle to tenaciously defend, protect and glorify popular mass-centered socialism of our own style.

Popular mass-centered socialism of our own style is the most superior society which provides our people and soldiers of the People's Army with the genuine life and happiness.

It is a unanimous faith and will of our people and soldiers of the People's Army to tenaciously defend, protect, and glorify socialism of our own style—their life [saengmyong] and living [saenghwal]—under any circumstance.

Because of this kind of common goal and unchangeable faith, our people and soldiers of the People's Army are sacrificing their lives in the struggle to safeguard and adhere to socialism of our own style. Moreover, in this course, the Army and people are uniting as one, helping and leading each other without distinguishing my work from someone else's work.

Great victories and results are being achieved in our socialist construction and the work to defend the fatherland with each passing day through the united strength of the Army and people. Also, the dignity and might of socialism of our own style is being all the more highly demonstrated.

Complete harmony between the Army and people is the source of invincible might of socialism of our own style and a firm guarantee to achieve victory. We are highly manifesting the virtue of Army-people unity by achieving single-hearted unity centered on the respected and beloved comrade supreme commander. There can be no barrier that cannot be overcome and no fortress that cannot be occupied.

Today we are faced with the honorary task of further bringing into full bloom the virtue of Army-people unity on the occasion of the 40th anniversary of the victory of the Fatherland Liberation War.

The dear leader Comrade Kim Chong-il has pointed out: If Army-people relations are to be deepened, the traditional virtue of Army-people unity should be highly demonstrated among the soldiers and people.

It is very important to all the more highly manifest the virtue of Army-people unity in brilliantly welcoming the 40th anniversary of the victory of war as a great festival of the victors. When all the people and soldiers of the People's Army bring into full bloom the virtue of Army-people unity on the occasion of the 40th anniversary of the victory of war, the might of single-hearted unity of our Army and people will be all the more strengthened and the dignity and honor of our fatherland and nation will be vigorously demonstrated.

What is most important in bringing into full bloom the virtue of Army-people unity is for all the people and soldiers of the People's Army to have a firm view and position to all the more deeply experience and thoroughly embody our party's idea of Army-people unity. Our party's idea of Army-people unity is a great idea which allows our Army and people to single-heartedly unite around the leader in whatever circumstance to reliably safeguard the fatherland and demonstrate the dignity and honor of the nation.

Because of the idea of Army-people unity, our people and the People's Army are wholeheartedly firmly united around the leader [yongdoja], thus achieving great victories and results in the struggle to achieve independence, self-reliance, and socialism. It was also possible to magnificently build socialism of our own style centered on the popular masses and endlessly elucidate it.

All the people and soldiers of the People's Army should deeply experience in their hearts the justness and invincible vitality of our party's idea of army-people unity. They should always thoroughly embody it anytime and anywhere. The basis in embodying our party's idea of Army-people unity is for the whole Army and people to the single-heartedly unite around the respected and beloved comrade supreme commander.

In its essence, Army-people unity is single-hearted unity firmly united centering around their leader [yongdoja]. All the people and soldiers of the People's Army are firmly bearing in their minds as faith that apart from the dear comrade leader, our fatherland and socialism of our own style cannot exist and that they cannot live and enjoy a happy life. They should all the more single-heartedly unite around the respected and beloved comrade supreme commander.

We should always believe in the dear comrade leader as the pillar of our minds, think and act only in accordance with the party's and leader's ideology and will, and should devote all they have in the struggle to realize the party's intention. The virtue of Army-people unity is all the more highly manifested in the practical struggle process of the army and people helping and leading each other with one mind and one will.

All the people should not forget that our party's cause and socialist cause are firmly safeguarded and adhered to only when the People's Army is strong. As in the past, they should value love and actively support the People's Army as if it was their own flesh and blood. In addition, soldiers of the People's Army should always love the people and become true sons and daughters of the people, fighting by devoting their lives for the people. Soldiers of the People's Army should highly uphold the revolutionary slogan, "Let's be in charge of defending the fatherland as well as socialist construction," and create new miracles and innovations everyday in the combat and political training and in the struggle to construct grand monumental edifices in the era of the Workers Party.

It is very important to all the more highly enhance the role of the party organizations in bringing into full bloom the virtue of Army-people unity which is being highly manifested in our society. As experience shows, when the party organizations plan the work to highly manifest the virtue of Army-people unity and functionaries go in the forefront of this work, great results are achieved in Army-people relations.

Party organizations should inform the party members and workers of our party's idea of Army-people unity, and plan and carry out the ideological and indoctrination work to highly manifest the virtue of Army-people unity among them. We should also actively find positive exemplary deeds in Army-people relations, widely generalize them, and work to all the more actively carry out the movement to obtain an exemplary country of Army-people unity and the movement of our post is our village and our village is our post. By doing so the blood-tied relations between the Army and people should be strengthened and the virtue of Army-people unity should be brought into full bloom across the whole country on the occasion of the 40th anniversary of the victory of war.

Working People Greet Anniversary of War 'Victory'

SK1307110193 Pyongyang KCNA in English 1028 GMT 13 Jul 93

[Text] Pyongyang, July 13 (KCNA)—July 27 this year is the 40th anniversary of the Korean people's victory in the Fatherland Liberation War.

Working people are effecting innovations in production and construction in all parts of the country to greet the day significantly.

The metal workers of the Kim Chaek iron and steel complex, the Hwanghae iron and steel complex, the Chollima steel complex, etc. topped their high daily targets 20 percent over the last ten odd days.

The Musan mining complex nearly doubled the output of iron headings in the same period.

The Taean heavy machine complex doubled the output of electric appliances in the first half of the year as against the same period last year. In July it has overfulfilled its daily assignments 20 percent in the production of motor generators and D.C. generators by keeping a high and steady rate of production.

A big production upswing has been reported from coal mines.

The Sunchon district coal mining complex has introduced valuable technical innovation and rationalisation proposals into production through a vigorous mass technical innovation drive. Over the last 30 days, it has increased the amount of capital tunnelling 60 percent, preparatory tunnelling 20 percent and coal production 40 percent as against the same period last year.

The Kangdong District coal mining complex which has overfulfilled its monthly assignments five percent on an average this year, has lifted coal output 16 percent in July above the comparable period of last month.

The cement producers have produced 50,000 more tons of cement over the last 30 days than in the preceding same period. The Sunchon cement complex which holds a large share in the nation's cement production has boosted the output of clinker 20 percent and that of cement 30 percent these days as against the same period last month.

Innovations have been effected at the February 8 cement complex, the Chonnaeri cement complex, the Punaesan cement factory and the Komusan cement factory.

Transport workers are registering great achievements in the transport of nonferrous metal ores, timber and other important freight.

KCNA: 10-Point Plan 'Benevolent Politics'

SK1207103793 Pyongyang KCNA in English 1010 GMT 12 Jul 93

[Text] Pyongyang, July 12 (KCNA)—The "10-point programme of the great unity of the whole nation for the reunification of the country" personally worked out by the great leader Comrade Kim Il-song is a programme of national unity representing the all-embracing politics and benevolent politics shaped by him, says NODONG SINMUN in a by-lined article today.

The article quotes the great leader Comrade Kim Il-song as saying in the 10-point programme:

"Special favors should be granted to those who have performed feats for the great unity of the nation and the reunification of the country, patriotic martyrs and their descendants. If those who had turned their back on the nation in the past return to the road of patriotism, remorseful of their past, they should be treated leniently and be assessed fairly according to their contributions to the cause of national reunification."

It continues:

The teaching of the great leader carries the lofty intention of love for the country and the people to unite all the members of the nation under the banner of national reunification with broad magnanimity and tolerance.

There is no greater honor and pride than contributing to the great national unity and national reunification today. Therefore, it is the natural obligation of the members of the nation to highly appraise those who have performed feats for the great unity of the nation and the reunification of the country and grant special favors to the patriotic martyrs and their descendants.

If those who had turned their back on the nation in the past return to the road of patriotism, remorseful of their past, they should be treated leniently and be assessed fairly according to their contributions to the cause of national reunification.

The publication of the 10-point programme of the great unity of the whole nation, an embodiment of the all-embracing politics and benevolent politics of the great leader has opened a broad way for those who had hesitated and been reluctant to come out for unity for their class origin and past crimes to confidently set out on the road of patriotism for national reunification.

The 10-point programme of the great unity of the whole nation is, indeed, a programme of national unity which could be set forth only by the great leader who has indicated clear lines and policies for national reconciliation, unity and reunification and led the whole members of the nation along a patriotic road of carrying them into practice.

Daily Views Article 1 of Plan

SK1007112793 Pyongyang KCNA in English 1018 GMT 10 Jul 93

[Text] Pyongyang, July 10 (KCNA)—NODONG SINMUN in a signed article today says that the "10-point programme of the great unity of the whole nation for the reunification of the country" put forward by the great leader Comrade Kim Il-song scientifically elucidates the target of great unity conforming with the common interests and ideal of the nation and its ideological foundation.

The article goes on:

The programme indicates the target of the great unity of the nation.

The great leader Comrade Kim Il-song has said in article 1 of the "10-point programme of the great unity of the whole nation for the reunification of the country":

"1. A unified state, independent, peaceful and neutral, should be founded through the great unity of the whole nation".

When all the members of the nation who want reunification pool their efforts irrespective of ideology, political views, religious beliefs and affiliation, they can easily overcome any difficulty and obstacle and successfully achieve the target of reunification. As the target of unity to found a unified state, independent, peaceful and neutral conforms with the interests and ideal of people of all walks of life, no one opposes unity and nobody is excluded from the cause of great unity.

It is one of important factors of guaranteeing the realization of great unity that the 10-point programme of the great unity of the whole nation prescribes the spirit of patriotism and national independence as an ideological foundation of great unity.

The programme is the fair and aboveboard one acceptable to any member of the nation because the principle of great unity and method of its realization is not tm do harm to any member of the nation.

As the method and demand of great unity are fair and aboveboard to the North and South and all members of the nation, the programme is acceptable to all, whether they be in the North or the South, or overseas, and whether they be communists or nationalists, atheists or believers.

The programme is a great charter of national unity which puts national demand and interests to the fore and leads the entire members of the nation to the road of patriotism.

The entire Korean compatriots in the North and the South and overseas should wage a vigorous struggle to achieve national reunification in the '90s at an early date irrespective of ideas, political views, religious beliefs and political groupings, holding high the 10-point programme.

WPK Releases Volume 4 of Kim Il-song Reminiscences

SK1107011293 Pyongyang KCNA in English 1517 GMT 10 Jul 93

[Text] Pyongyang, July 10 (KCNA)—The Workers' Party of Korea [WPK] publishing house recently brought out the fourth volume, a sequel of Vols. 1, 2 and 3 of the first part (anti-Japanese revolution) of "With the Century", reminiscences of the great leader President Kim Il-song.

The fourth volume covers the historical period from February 1935 to May 1936 when an epochal turn was effected in the anti-Japanese revolutionary struggle.

It consists of three chapters with 15 subtitles including "Fierce Whirl", "Sons and Daughters of the Young Communist League", "Seeds of Revolution on Vast Land", "My Comrades to the North and I to the South", "Invincible Veteran Choe Hyon", "Birth of a New Division", "Zhang Weihua, My Revolutionary Comrade (1), (2)" and "The Association for the Restoration of the Fatherland".

In the volume, President Kim Il-song looked back on the arduous days when he fought to strengthen the unity and cohesion of the revolutionary ranks, tiding over the grave obstacles created before the revolution, consequent upon of the ultra-leftist anti-"Minsaengdan" struggle started by leftist elements in guerrilla-held areas in east Manchuria.

He says:

"We cannot defend socialism if we fail to bear in mind the truth that if an individual falls into leftist deviation, he will do harm to his collective and if a ruling party commits a leftist error, it will lose the people and make havoc with the revolution. This is the lesson taught us by the history of the anti-'Minsaengdan' struggle and an appeal to the communists the world over from the painful experience in countries which shed much blood owing to the infiltration of the leftist deviation.

"To oppose and guard against the leftist deviation veiled with ultra-partisan remarks and protect the political destiny of the people from its encroachment is an eternal theme on which the communists in power must keep hold in their activities, not forgetting it even for a moment".

In the volume, President Kim Il-song recalled that he struggled to firmly establish chuche and steadfastly maintain the independent stand of the Korean revolution in all the military and political activities of the anti-Japanese armed struggle.

Vividly recorded in the volume are stories about unforgettable days when he dealt a telling military and political blow to the Japanese imperialist aggressors by putting forward new military strategical policies and superb guerrilla tactics and successfully putting them into practice and he brought up young communists of new generation to be the main force of the Korean revolution, emotional stories that he conducted an energetic struggle to strengthen the militant unity between Korean and Chinese peoples and realise an anti-imperialist common front of the two peoples during the period of the arduous anti-Japanese war and the emotion-charged story that he had always warmly loved, looked after and firmly believed anti-Japanese revolutionary fighters and people as his flesh and blood.

Daily Stresses Production of Consumer Goods

SK1207013493 Pyongyang Korean Central Broadcasting Network in Korean 0010 GMT 8 Jul 93

[NODONG SINMUN 8 Jul editorial: "Let Us Constantly Put Efforts into the Production of the People's Consumer Goods"]

[Text] Upholding the party Central Committee's slogan on the occasion of the 40th anniversary of the victory in the Fatherland Liberation War, the functionaries and working people in the fields of light industry are now unanimously rising up to the struggle to produce the people's consumer goods. They are achieving great success in producing consumer goods.

All the party members and working people in the fields of light industry should vigorously kindle the flames of the light industry revolution. They should thereby bring about a decisive turn in improving the people's living standard.

The dear leader Comrade Kim Chong-il has noted: The light industry revolution should be carried out to improve the people's living standards.

Vigorously kindling the flames of the light industry revolution is an important demand for further improving the people's living standards by making a great innovation in producing the people's consumer goods.

To constantly improve the people's living standards, we should try to develop agriculture and light industry. Based on the policy that light industry is an industry directly related with the people's living, our party has always put great efforts into light industry.

Our light industry has produced and supplied with its own strength the consumer goods needed for people's food, shelter, and clothing. Our light industry's potentials and vitality are great.

The party's policy on the light industry revolution should be thoroughly implemented based on already obtained achievements. This is a worthwhile work to brilliantly resolve the issue concerning the people's consumer goods within the shortest period in keeping with the popular masses' desire and demand. When the party's slogan, "All Shops Should Be Full of Commodities by More Vigorously Kindling the Flames of the Light Industry Revolution," is thoroughly implemented, our people can enjoy a more affluent and cultural life. Accordingly, the superiority of our country's socialism will be more clearly demonstrated in all fields of society.

This year marks the 40th anniversary of the victory in the Fatherland Liberation War. Our party early on set up a target to momentously improve the people's living standard in this significant year. Our party has wisely led the struggle to vigorously kindle the flames of the light industry revolution.

Upholding the great leader Comrade Kim Il-song's New Year Address and the party Central Committee's slogans, all party members and working people in the fields of light industry are kindling the flames of the light industry revolution. They are bringing about a new turn in producing consumer goods.

Because there is the wise leadership of the party and the leader and the unfathomable strength of the popular masses who firmly rally around the party, once we make a firm determination, we can further improve the people's living standard in this significant year. Deeply taking pride and glory in working at major fields to improve the people's living standard, all functionaries and working people in the fields of light industry should more vigorously kindle the flames of the light industry revolution.

It is important for all functionaries and working people in the fields of light industry to bring into full play the devoted service spirit for the people and the work style befitting the master.

The issue of kindling the flames of the light industry revolution is not a simple technical issue but an issue concerning the ideology and viewpoint of the functionaries and working people in the fields of light industry.

All functionaries and working people in the fields of light industry should have a high degree of responsible consciousness for the people's living and the attitude befitting the master. They should make a vigorous effort to produce more goods and better goods.

In particular, with a high degree of the revolution-minded, party-minded, working class-minded, and people-minded spirit, the functionaries in the fields of light industry should responsibly resolve the issue arising in the struggle to implement the party's policy on the light industry revolution.

Normalizing production at a high level in the existing light industry plants is an important work which should include prime efforts to vigorously kindle the flames of the light industry revolution at present. Bearing fruits in the existing light industry plants is to increase the production of the people's consumer goods.

By operating all production facilities at full capacity, light industry plants should implement production targets by the day, by the 10-day period, by the month, and by the indicators. To this end, it is important to smoothly resolve the issue concerning raw materials and equipment.

Light industry fields should vigorously struggle to resolve the issue concerning necessary raw materials and equipment with their own strength. They should spare raw materials and equipment.

The fields of chemical industry, metal industry, agriculture, fishery, and forestry are assigned important tasks to resolve the issue of raw materials and equipment needed for light industry.

Chemical industry fields should produce more chemical fibers—vinalon, staple fiber, rayon, and orlon—synthetic rubber, caustic soda, hydrochloric acid, dyes, thread, salt, and paper and provide them to light industry plants.

Metal industry fields should smoothly provide various kinds of iron materials, secondary metal-processed products, and processed nonferrous products for light industry plants.

Agricultural and fishery fields should produce and provide various kinds of animal-vegetable materials needed for light industry.

Other fields, including forestry fields, should responsibly produce and provide timbers and other necessary equipment.

In particular, coal and power industry fields should smoothly provide coal and power needed for normalizing production in light industry plants.

Transportation fields should reasonably organize railway transportation, water transportation, and car transportation. By so doing, they should transport raw materials, materials, and equipment to light industry plants.

To operate light industry plants at full capacity and to normalize production, plants and enterprises should properly manage facilities. Light industry plants should get functionaries and working people to carefully manage and handle facilities with a high degree of consciousness that they are masters of the country and production. In particular, technicians should vigorously launch the movement of loyalty to create model machines by learning from No. 26 lathe.

In addition, technicians should daily check facilities and repair them in a timely manner. They should establish a planned system to repair facilities by meticulously grasping the condition of facilities in advance.

All provinces, cities, and counties should launch mass movements to establish more bases to cultivate materials. They should properly enrich and cultivate the bases. By mobilizing and using the local raw-material resources, they should operate local industry plants at full capacity.

All provinces, cities, and counties should properly organize procurement work. By establishing and properly operating more household work teams and part-time work teams, they should momentously increase the production of the 3 August people's consumer goods.

Central industry enterprises should increase more work teams for necessities. They should produce various kinds of people's consumer goods by mobilizing by-products, discarded materials, and idle labor and equipment.

The functionaries and working people in the fields of light industry should practically struggle to increase kinds of people's consumer goods and improve their quality. To vigorously kindle the flames of the light industry revolution, the functionaries in the fields of light industry should properly organize and guide production.

Only when functionaries properly organize and guide production can production of consumer goods be increased by properly using labor, facilities, raw materials, and equipment.

In keeping with the demand of developing reality, the functionaries in the fields of light industry should command economic organizational work, such as planning work, material supply work, labor deployment, and facility management. In particular, functionaries should responsibly organize and guide production, with a focus on producing necessities which our people use most frequently in their daily life.

The role of the party organizations should be enhanced. All party organizations at every level, including the fields of light industry, should deeply explain to and instill in the masses the essence, meaning, and implementation method of our party's revolutionary economic strategy. By so doing, the masses should deeply realize that kindling the flames of the light industry revolution is a worthwhile struggle to enhance the people's living standard and bring into full play the superiority of the socialism of our own style. They should bring about a momentous leap in producing consumer goods.

Upholding the party Central Committee's slogan, all should vigorously kindle the flames of the light industry revolution. Let us all further increase the production of the people's consumer goods and effect a momentous turn in improving the people's living standard.

KCNA Reports Increase in Cement Production

SK1007112393 Pyongyang KCNA in English 1007 GMT 10 Jul 93

[Text] Pyongyang, July 10 (KCNA)—The cement producers under the Ministry of Building-Materials Industry of the Democratic People's Republic of Korea have effected an uninterrupted upswing in production with the approach of the 40th anniversary of the victory of the Korean people in the fatherland liberation war.

According to data available, the output of clinker was up 30 percent and cement up 100 percent in June on the previous month's figure under the ministry.

Entering July, the daily cement quota has been topped by 20 percent.

The Sunchon cement complex which holds a big share in the cement production is boosting production by keeping all the kilns in full-capacity operation.

Clinker output has shown a 20 percent gain and cement a 30 percent gain on a daily average over the figure of the same period last month in kilns nos. 2 and 3.

The February 8 cement complex topped the last month's target 8.5 percent.

A significant rise in production has been reported from the Chonnaeri cement complex and the Puraesan, Komusan and August 2 cement factories.

The Songsan, Chonggye and other limestone mines which supply raw materials to cement factories have boosted production by giving priority to earth-scrapping and tunnelling and introducing advanced mining methods. They have also raised the operation rate of raw material-carrying equipment and their capacity.

Coal mines in Sunchon, Kangdong and northern areas are supplying adequate fuel to cement factories.

KCNA Reviews 13 Jul Pyongyang Press

SK1307054593 Pyongyang KCNA in English 0446 GMT 13 Jul 93

[Press review]

[Text] Pyongyang, July 13 (KCNA)—NODONG SINMUN today carries messages of greetings to the great leader President Kim Il-song from general secretary of the National Council of the Communist Party of India Indrajit Gupta and General Secretary Nina Andreyeva and Secretary Aleksandr Rapin of the C.C. [Central Committee], the All-Union Bolshevik Communist Party, on the occasion of the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War.

Dailies report that classical works of President Kim Il-song have been disseminated and studied in foreign countries.

According to them, President Kim Il-song sent thanks to the soldiers and workers who have taken part in the Kumsong tideland project designed to obtain over 3,300 hectares of arable land by damming off the sea facing Onchon, South Pyongan Province.

An article of NODONG SINMUN deals with the exploits of President Kim Il-song in leading to victory the battles for defending hill 1,211, the strategic vantage in the eastern sector of the front, in the Fatherland Liberation War.

The daily informs the readers that classical works of the dear leader Comrade Kim Chong-il were brought out in booklet in different countries.

The paper conveys world public voices highly praising Comrade Kim Chong-il as an outstanding military genius in the era of independence.

The Pyongyang declaration "let us defend and advance the cause of socialism" was published in pamphlet in Italy, says the paper.

A MINJU CHOSON article stresses the need to consistently maintain the principle of socialist economic management and strictly carry it into practice.

Dailies deal with reports from different domains of the national economy in which innovations are being effected to greet the 40th anniversary of the victory in the war with great achievements in production and construction.

Seen in the press is a statement published by a spokesman for the DPRK Foreign Ministry as regards Miyazawa's remarks about Japan's "possibility of possessing nuclear weapons" over the non-existent "nuclear threat" by the DPRK.

Under the headline "The United States Must Ponder Over Fatal Consequences of its Rash Act" papers carry the answer of a DPRK Foreign Ministry spokesman to a KCNA question about Clinton's recent provocative utterances against the DPRK.

U.S. soldiers' remains discovered in the northern half of Korea were transferred at Panmunjom, says the press.

The papers report that the South Korean puppets committed another grave military provocation, illegally infiltrating combatant ships deep into the territorial waters of the North side on the West Sea.

NODONG SINMUN runs an article exposing the true color of the "Security Planning Board", a fascist repressive body in South Korea.

The daily comes out with a commentary entitled "Treacherous Act To Slay Fellow Countrymen With Foreigner's Sword". It raps the disgraceful behavior of Kim Yong-sam in his mendicant diplomacy at talks with the U.S. President, which might cause a self-destruction of the nation.

Papers come out with articles branding the "peace dam" built by the South Korean "fifth republic" authorities against the North's construction of Kumgangsan power station as a product of swindle intended for "security of the government".

Functions have been held in different countries on the occasion of the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War and in the month of international solidarity with the Korean people, says the press.

World news of the press includes reports that the Indonesian president stressed the importance of South-South cooperation and the Zimbabwean president elaborated on peace in Africa.

Papers carry the gist of commentaries by Chinese, Vietnamese and Yugoslav newspapers on the G-7 [Group of Seven] summit.

"Bourgeois cultural infiltration to gratify dominationist design" is the title of a NODONG SINMUN article.

KCNA Reviews 12 Jul NODONG SINMUN

SK1207052693 Pyongyang KCNA in English 0455 GMT 12 Jul 93

[Review of NODONG SINMUN]

[Text] Pyongyang, July 12 (KCNA)—NODONG SINMUN reports that President Kim Il-song of the Democratic People's Republic of Korea signed "Statement on the Population Stabilization" to be jointly issued by heads of state or government of the non-aligned countries on the occasion of the day of world population, which was sent by Indonesian President Suharto, chairman of the NAM [Nonaligned Movement].

The daily carries a message of greetings sent by President Kim Il-song to President Miguel Trovoada on the 18th anniversary of the independence and the proclamation of the Democratic Republic of Sao Tome and Principe.

Immortal classical works of the great leader President Kim Il-song were disseminated and studied in different countries, reports the daily.

It rounds up voices of South Korean peasants expressing reverence for the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

It carries an article on the wise guidance of President Kim Il-song in bringing up orphans during the Fatherland Liberation War.

According to the daily, working people in different sectors of the national economy are effecting innovations to greet the 40th anniversary of the victory in the war with shining achievements in production and construction and noble traits of helping and leading each other forward for society and the collective have been highly displayed among the people in Korea.

The daily informs the readers that the Zimbabwean president met the Korean ambassador and a reception was arranged at the Korean Embassy in Beijing on the 32nd anniversary of the signing of the Korea-China treaty of friendship, cooperation and mutual assistance.

A signed article of the daily stresses that President Kim Il-song's "10-point programme of the great unity of the whole nation for the reunification of the country" is the basic principles of great national unity which is reflecting his broad-minded, benevolent politics.

South Korean news of the daily includes reports that peasants held a rally and a street march in protest against the U.S. president's trip to South Korea and a vigorous struggle for the reinstatement of dismissed teachers and legalization of Chongyojo was waged by South Korean people of different strata.

The daily in an article charges that "doctrine of sharing sufferings" advertized by the South Korean rulers is a sophism intended to maintain the colonial economic structure of South Korea and fatten the comprador plutocrats.

Various functions were held in foreign countries on the occasion of the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War, says the daily.

Echoed in it are voices of the world public saying that Korean socialism is invincible.

The daily in a commentary denounces the Japanese prime minister's remarks about the "nuclear suspicion" of DPRK as a trick to justify the nuclear armament of Japan.

Its world news includes reports that the secretary general of the Ghana-DPRK Friendship Association hailed the DPRK-U.S. joint statement, a Cuban paper condemned the intrusion of U.S. ships and the summit of the organization for economic cooperation was held in Turkey.

The daily introduces Sao Tome and Principe on its 18th independence day.

It deals with the favourably developing situation in Cambodia.

KCNA Reviews 10 Jul Pyongyang Press

SK1007051793 Pyongyang KCNA in English 0443 GMT 10 Jul 93

[Press review]

[Text] Pyongyang, July 10 (KCNA)—Under the block-letter headline "Immortal Revolutionary Encyclopedia Consummating the Heroic Epical Life of the Peerless Great Man", papers here today highlight the report that the Workers' Party of Korea publishing house brought out the fourth volume of the first part (anti-Japanese revolution) of "With the Century", reminiscences of the great leader President Kim Il-song. The reminiscences cover the historical period from February 1935 to May 1936 when a dramatic turn was effected in the anti-Japanese revolutionary struggle.

NODONG SINMUN informs the readers that the already-published volumes of the reminiscences have been introduced in different countries.

Appearing in the press is a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Hubert Alexander Ingraham, prime minister of the Commonwealth of Bahamas, on the occasion of the 20th anniversary of the independence of Bahamas.

Given in the press is a report that the dear leader Comrade Kim Chong-il sent a message of thanks to the soldiers of the Korean People's Security Forces who had performed feats in the project of the Pyongyang-Kangdong highway.

According to the press, President Kim Il-song and Comrade Kim Chong-il were awarded medals from Bagneux city, France, and gifts from the France-Korea Friendship Association on the occasion of the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War.

NODONG SINMUN carries a message of greetings sent by the Central Committee of the Workers' Party of Korea to Ngirumpatse Mathieu upon his election as president of the National Republican Movement for the Democracy and Development of Rwanda.

The press dedicates articles to the 99th birth anniversary of indomitable revolutionary fighter Kim Hyong-chik, who was an outstanding leader of the anti-Japanese national liberation movement and a great pioneer in changing the course of struggle from the nationalist movement to the communist movement.

Econews of the press includes reports about increase of fisheries output.

Memorial postage stamps have been issued on the threshold of the 40th anniversary of the victory in the Fatherland Liberation War, says NODONG SINMUN.

Papers give accounts of functions held in Korea and China on the occasion of the 32nd anniversary of the signing of the Korea-China treaty of friendship, cooperation and mutual assistance and a reception hosted by the Mongolian ambassador on the 72nd anniversary of the Mongolian people's revolution.

The press informs the readers that remains of U.S. soldiers will be transferred to the U.S. side at Panmunjom.

Papers carry reports about continued ground and aerial war exercises of the South Korean puppets against the North.

NODONG SINMUN says that the 10-point programme of the great unity of the whole nation is one of great unity which accords to the interests and idea of the nation.

The press gives accounts of functions held in different countries to mark the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War.

The press reports that the preparatory committee for the formation of the South side headquarters of the National Alliance for the Country's Reunification announced its plan to host the 4th pan-national rally in Seoul, the Seoul Alliance for Democracy and National Reunification demanded the demolition of the U.S. military base in Yongsan and the Christian Farmers Federation expressed opposition to the South Korean trip of the U.S. President.

NODONG SINMUN in a commentary denounces the South Korean authorities for cracking down upon the labour movement.

It is reported in the press that the president of the State of Palestine opposed the U.S. proposal for Palestinian "autonomy" and the king of Jordan supported a fair and package solution of the Mid-East peace problem.

MINJU CHOSON runs a commentary hitting out at the anti-DPRK moves of the Japanese reactionaries who are spreading the lie that the Korean war was started by a forestalling attack of the North.

NODONG SINMUN runs the third installment of an article exposing the crimes of the Japanese imperialists in fabricating the "Ulsa Five-point Treaty" in 1905 in order to turn Korea into their colony.

South Korea

DPRK Cancels International Sports Tournament

SK1007131493 Seoul KBS-1 Television Network in Korean 1225 GMT 10 Jul 93

[Text] The Japanese Table Tennis Association said today: The North Korean Table Tennis Association has recently informed that it will cancel the Pyongyang International Table Tennis Championship slated for 5 August in Pyongyang because of internal affairs [kugnae sajong].

Regarding the reason for its suspension of the championship, a relevant Japanese Table Tennis Association official said: In its message, North Korea has only said that it will stop the championship because of internal affairs. He added that North Korea had not disclosed in detail the reason why it would suspend the championship.

North Korea even suddenly decided not to participate in the summer universiade games—which is being held now in the United States—immediately before its opening ceremony.

DPRK Absent From International Sports Event

SK1107040293 Seoul CHUNGANG ILBO in Korean 7 Jul 93 p 19

[Report by correspondent Pang Won-sok from Buffalo]

[Text] North Korea did not attend the 1993 Summer Universiad because of the conflict [kalttung] between Kim Il-song and his son over the decision to withdraw from the Nuclear Nonproliferation Treaty [NPT].

At a meeting of the International University Sports Federation [FISU] held early in the morning on 7 July (Korean standard time), PRC executive member of the FISU Li Guobin, deputy director of a department of the Chinese Foreign Ministry, revealed to a high-ranking ROK sports official attending the meeting that "North Korea decided not to attend the universiade because of internal problems such as the deepening conflict between Kim Il-song and his son over the decision to withdraw from the NPT."

North Korea was expected to participate in the Universiad as part of its efforts to improve relations with the United States. North Korea has been negotiating with the United States in connection with its nuclear issue.

North Korea paid a deposit to the Universiad organizing committee to guarantee participation, thus indicating its willingness to attend the sports event. However, it failed to submit the final entry before the 20 June deadline, leading people to wonder about the reason.

Israeli Effort To Stop DPRK Missile Sales Viewed

SK1007105993 Seoul CHOSON ILBO in Korean 10 Jul 93 p 6

[By correspondent Ku Song-chae: "North Korea's Exports of 'Nodong-1' to the Middle East—Israel Is Anxious Because There Is No Countermeasure Available"]

[Text] North Korea has been holding two international meetings with regard to its security: One is a meeting on the nuclear issue with the United States, and the other a meeting on its exports of Scud missiles to the Middle East with Israel, the intended victim of those Scud missiles. Just like the North Korean nuclear issue, North Korea's exports of Scud missiles seriously threatens stability and security in some parts of the world.

North Korea and Israel had a contact in Beijing on 25 June. They reportedly discussed North Korea's exports of Scud missiles to the Middle East. In connection with this, David Rot [name as transliterated], a second secretary at the Israeli Embassy in the ROK, said that "Israel's security was discussed."

At the talks, Israel reportedly asked North Korea to suspend its exports of Scud missiles to Middle East countries. However, North Korea reportedly denied the exports altogether. In return for the suspension, North Korea reportedly asked Israel to participate in the exploitation of a gold mine in Unsan [as published]. Secretary David Rot also said that "no big progress was made."

What North Korea wants from Israel must be economic cooperation. The exploitation of the Unsan gold mine may be part of such economic cooperation.

The scale of the economic cooperation is estimated to be hundreds of millions of dollars, at least. Israel estimates that North Korea would lose approximately $1 billion if it suspends weapons exports to the Middle East. In connection with this, North Korea has requested "several thousand trucks" or "$300 million in mining rights."

North Korea has sold its Scud missiles to Iran, Syria, and other countries. Clinton administration officials said last April that an Iranian military delegation had been staying in North Korea to buy 150 Nodong-1 Scud-D missiles, whose range is 1,000 km. North Korea's Nodong-1 can reach Tokyo, Vladivostok, Beijing, and Shanghai. If it is deployed in the western part of Iran, it can reach not only Israel, but also Cairo and the eastern part of Turkey.

However, there is not much Israel can give North Korea as a price for North Korea's suspension of the weapons exports. The loss estimated at $1 billion accounts for a third of the U.S. aid to Israel. Also, if Israel promotes economic cooperation with North Korea, the U.S. Congress may oppose aid for Israel. When Israel sought advice last May, the United States told it that "North Korea cannot be trusted" and asked Israel to restrain its negotiations with North Korea. At that time, the United States had been jittery because of North Korea's withdrawal form the Nuclear Nonproliferation Treaty [NPT].

If the bilateral deals between Israel and North Korea do not work, options left for Israel are military and nongovernmental [pigongsikchok].

An English newspaper published in Egypt recently reported that Israel had begun to examine a plan to use force in case its "Scud missile negotiations" with North Korea fail. Prior consultations with the United States are necessary for this. In the early 1980's, Israel destroyed the Osirak nuclear reactor which Iraq had been building to develop nuclear weapons with a jet fighter attack.

For Israel to use multinational corporations to make up for North Korean losses caused by its suspension of the weapons exports can be an excellent scheme. TIME magazine has reported that the Israeli Government had handed over North Korea's gold mine exploitation proposal to Isenberg [name as transliterated] Corporation, Israel's representative multinational corporation. There is no easy way. Israel says that "we are making every effort to maintain our security."

Koreas Expected To Attend Civilian Security Talks

SK1207232193 Seoul YONHAP in English 2312 GMT 12 Jul 93

[Text] Seoul, July 13 (YONHAP)—South and North Korea are together expected at the first civilian-level Northeast Asia security dialogue with Japan, United States, China and Russia in October that may well develop into a government channel, officials here said Tuesday. The six-nation conference, sponsored by the Institute on Global Conflict and Cooperation (IGCC) belonging to the University of California in San Diego, opens Oct. 8-9.

Seoul received the invitation last week to send an an official each from the Foreign Ministry and military leaders and civilian experts as with other invited countries. The conference, titled "Northeast Asia Cooperation Dialogue," will be the first such meeting for this region. Confidence building measures, security cooperation, disarmament and non-proliferation of weapons of mass destruction are likely agendas.

A similar but a much larger framework already exists covering the entire Asia-Pacific region, titled "Asia-Pacific round table," organized every year by the Institute of Strategic and International Studies (ISIS) of Malaysia which both South and North Korea attend. But the IGCC handpicked the six countries with the purpose of creating the security dialogue forum in Northeast Asia, officials said. A preparatory session for the October meeting opens in San Diego July 26-27 and the Foreign Ministry will send its senior policy coordinator Kim Yong-ki.

Assistant Foreign Minister for Policy Planning Kwon Pyong-hyon will represent Seoul at the October meeting. The government delegates were asked to come in private capacity to avoid official involvement in sensitive security affairs, officials said, but the IGCC forum may well be elevated to intergovernmental level when first few sessions succeed.

Seoul To Require DPRK Products To Indicate Origin

SK1007054093 Seoul YONHAP in English 0528 GMT 10 Jul 93

[Text] Seoul, July 10 (YONHAP)—The government has decided to include a clause in the law on inter-Korean exchange and cooperation, requiring North Korean products to state their country of origin, officials said Saturday. The decision was made in order to prevent products of other countries coming into South Korea under the guise of North Korean goods to beat custom duties here.

The officials explained that they found many cases where agricultural goods from foreign countries enter the country customs-free as if they are from North Korea because they are hard to differentiate unlike other commodities. South Korea's current external trade law requires the show of place of origin on all goods from communist countries, a government official said.

The government also wants to include the clause in the law governing inter-Korean exchange and cooperation to separate trade regulations on North Korea from the the external trade law in preparation for better inter-Korean relations in the future. The legal complication would not, however, affect inter-Korean tradings because the country-of-origin marking is already included in Korea's external trade law, the official said.

U.S.-DPRK Talks To Begin 14 Jul in Geneva

SK1207230393 Seoul KBS-1 Radio Network in Korean 2200 GMT 12 Jul 93

[By special Korean Broadcasting system correspondents' group in Geneva]

[Text] The second round of U.S.-North Korean high-level talks will be held in Geneva tomorrow in order to resolve North Korea's nuclear issue.

The U.S. mission in Geneva said that the second round of talks would be held in the U.S. mission at 0800 GMT (1700 Korean Standard time) tomorrow. It added that if further talks are needed, the talks will be held again on 16 July. The United States hinted that tomorrow's talks will not be dragged out long, like the first round of talks held in New York.

Meanwhile, Kang Sok-chu, North Korea's first vice foreign minister, arrived in Geneva together with his delegation in order to attend the U.S.-North Korean high-level talks to be resumed tomorrow. In his statement yesterday, he stressed that if the two sides hold negotiations with an earnest and sincere stance, they will be able to produce results which will meet the two countries' hopes and international community's expectations.

DPRK Urges 'Sincere' U.S. Attitude

SK1207133193 Seoul KBS-1 Radio Network in Korean 1304 GMT 12 Jul 93

[Text] North Korea expressed today an optimistic view on the upcoming nuclear talks by saying that if the United States and North Korea approach the talks, the nuclear negotiations will result in success.

North Korean First Vice Foreign Minister Kang Sok-chu, who arrived in Geneva as the head of the North Korean delegation to U.S.-North Korean high-level talks to be resumed on 14 July, stressed in his statement today that if the two sides approach the negotiations with an earnest and sincere [chinjihago songsilhan] attitude, they will achieve results meeting both countries' hopes and the international society's expectations.

Meanwhile, through the Korean Central News Agency today, a spokesman for North Korea's Foreign Ministry strongly denounced U.S. President Bill Clinton's remarks of warning to North Korea.

Papers View Results of U.S. President's Visit

'Sound Development' of Ties Urged

SK1207095693 Seoul HANGYORE SINMUN in Korean 12 Jul 93 p 2

[Editorial: "Sound Development of ROK-U.S. Relations Should Be Sought"]

[Text] Just as traditional ROK-U.S. relations showed in the past, the United States collected [chaenggida] practical trade profits in return for offering security to the ROK during the current visit of U.S. President Clinton to the ROK. At the same time, the United States made it clear that it will continue playing the leading role in security and economic fields in the Asia-Pacific region with the ROK as the axis.

President Clinton stated that "he will give precedence to the ROK over the North Atlantic Treaty Organization when he formulates the defense budget." By saying this, he relieved the ROK from anxiety concerning the North Korean nuclear issue. The policy-making groups in the United States including the Heritage Foundation called on President Clinton to declare during his visit to the ROK that the United States will never give up its leadership role in Asia.

The United States' intention to exercise its leading role in the Asia-Pacific region, including the ROK, was largely prompted by economic factors. U.S. trade with Asia in 1992 amounted to $360 billion, 50 percent more than $227 billion, the amount of its trade with Europe. This figure is expected even to rise in the future. President Clinton's proposal for "a New Pacific community," as he stated, explicitly illustrated that the United States wants to play the key role in this region with security, economic prosperity, and common value of democracy as its basic concept.

However, people point out that even if "a New Pacific community" is inaugurated as President Clinton has proposed, considerable amounts of efforts and time would be required for "tuning in harmony" various views and opinions of the countries within the region. One of such opinions is the issue of whether or not the Association of Southeast Asian Nations [ASEAN], which has some contradictory thoughts [tarun saenggak] of the United States' dominant role, will obediently accept the new U.S. hegemonistic strategy. Besides, whether China, which pursues independent line, will obediently keep step with the United States is also a problem.

President Clinton's proposal for multilateral dialogue for security cooperation in the Asia-Pacific region can be assessed as one with considerable significance. However, it seems that this proposal is intended to seek maximum military hegemonism with minimum military expenses, although there is a precondition that the United States' bilateral security treaties with the ROK and Japan are still effective. Nevertheless, the view that with emergence and development of multilateral security cooperation, the security situation on the Korean peninsula will be stabilized to a certain extent has persuasive power.

On the other hand, as we link President Clinton's visit to the ROK with our economic issue, we cannot suppress worries and vigilance. In particular, we are concerned with the agreement on the establishment of an organization for ROK-U.S. economic cooperation and dialogue. This organization has an outwardly plausible justification that it will seek measures to relax economic restrictions affecting ROK-U.S. economic relations. However, people point out that U.S. trade pressure, including the opening of rice markets, began to be systematized.

The new economy, which President Kim Yong-sam is pushing for, is described to seek autonomy and participation by easing economic restrictions. However, it can be a policy that will reveal a number of vulnerable points toward U.S. trade pressure. On the day of President Clinton's arrival, rallies and demonstrations demanding the withdrawal of pressure for opening the rice market and calling for an end to U.S. soldiers' crimes, such as the murder of Yun Kum- i, were held in succession in Seoul, Kwangju, and other places throughout the country. We hope that both the ROK and the United States should not make little of such phenomena and that they should be mindful of the fact that their demands should be satisfactorily resolved for the sound development of relations between the two countries.

Visit Produces 'Substantive Results'

SK1307052193 Seoul THE KOREA HERALD in English 13 Jul 93 p 6

[Editorial: "Firmed Security Ties"]

[Text] The visit of U.S. President Bill Clinton to Seoul over the weekend has produced substantive results above and beyond the usual rhetoric of a summit meeting between two heads of state. That he chose Korea as the destination of his first official overseas trip was significant enough. President Kim Yong-sam and his guest were in as perfect concert when they were in conference as they were when they paced along together during a morning jog. The American leader delivered a very powerful and reassuring message on his country's undiminished security ties with Seoul and a steadfast policy for Asia and the Pacific.

President Clinton reiterated in unequivocal terms the firm resolve of his administration for the United States to remain a Pacific power and keep up strong defense commitments to this region. The unfaltering commitment of Washington was mentioned during his talks with President Kim and his address to the National Assembly. The four priorities for the security of the New Pacific Community Clinton cited were a continued American military commitment, stronger efforts to combat the proliferation of weapons of mass destruction, new regional dialogues on the full range of common security challenges and support for democracy and more open societies throughout the region.

When Washington broached the so-called win-hold-win strategy, serious concern was registered here that it would send a wrong message to Pyongyang that defense capability on this peninsula would be undermined if there were an ongoing regional conflict in which the U.S. was involved elsewhere in the world. On the eve of his trip, Clinton cleared the misgivings by renouncing the strategy and concluding that U.S. force must be able to fight and win two conflicts simultaneously. He then went on to reaffirm that the Korean Peninsula remains a vital American interest and that U.S. troops will stay here as long as the Korean people want and need them.

In an effort to adapt to new times and new challenges, President Clinton saw fit to work on developing multiple new arrangements and new regional security dialogues. Toward that end, he suggested a broader role for the Asian and Pacific Cooperation and a sort of collective security institution, probably similar to the North Atlantic Treaty Organization. The latter is yet to take shape through future consultations among various countries and regional groups concerned. In all these endeavors Korea is supposed to fill a leading part. The open-minded discussions between our two leaders provided the common ground for evolving these structures of peace and prosperity in the region.

A stern message was directed to North Korea against its stalling on adhering to the Nuclear Nonproliferation Treaty. Kim and Clinton agreed that they cannot tolerate the threat of North Korea's development of a nuclear arsenal. The accord would prompt a joint action to seek United Nations sanctions against North Korea if it continues to defy the international pressure for several more weeks. Pyongyang has little time to lose in reversing its negative stand on the issue. North Korea must now do its share in contributing to a new secure order in East Asia.

Seoul 'Reassured' by U.S. Pledge

SK1307044293 Seoul THE KOREA TIMES in English 13 Jul 93 p 6

[Editorial: "Renewed U.S. Pledge to Defend Korea"]

[Text] We have been reassured by U.S. President Bill Clinton's renewal of the U.S. commitment to defend the Republic of Korea during his visit here over the weekend. Particularly impressive was his announcement of the U.S. decision to shelve the second-stage U.S. troop pullout program as long as there remains a North Korean military threat against the South.

This is apparently a shift from the Clinton administration's original foreign policy aimed at reducing U.S. military bases and forces stationed in the Asia-Pacific region in order to cut down on fiscal deficits.

Well indicative of the U.S. readiness to retaliate against North Korea with its overwhelming military power, Clinton warned here on Sunday that if Pyongyang ever developed and used nuclear weapons, "it would mean the end of their country." This warning is in compliance with the agreement reached between him and President Kim Yong-sam in their summit talks on Saturday to continue full cooperation to resolve the crucial North Korean nuclear issue.

Symbolic of the seeking of closer links between Seoul and Washington is the two president's accord to establish an around-the-clock hot line that will be used for consultation on urgent issues such as the North Korean nuclear problem. At present, the White House has a hot line with only Moscow.

Also to be attached great significance is another Seoul-Washington agreement to promote the formation of a consultation system for regional security in Northeast Asia, which will include Japan and China, in addition to South Korea and the United States.

The accord, which envisions an organization running parallel to the Association of Southeast Asian Nations (ASEAN), was reached in separate talks between Foreign Minister Han and Secretary of State Christopher. It is in tune with Clinton's overture for the creation of a new Pacific community, disclosed in last week's G-7 summit in Tokyo.

Despite the renewed ROK-U.S. defense commitment through their Seoul summit, we are concerned about the order of priority to be given to Korean defense in the event of war here in view of the ongoing debates on the so-called "win-hold-win" and "win-and-win" strategies.

The two leaders in their Seoul summit apparently shelved trade and economic issues and focused their attention to cooperative steps required for the defense of the Republic and the regional security of Northeast Asia. Pyongyang is once again urged to come to its senses enough to read the unswerving warning from the Kim-Clinton talks against the development of North Korean nuclear arms.

ROK Soldier Deserts U.S. Forces Unit 13 Jul

SK1307034993 Seoul KBS-1 Radio Network in Korean 0300 GMT 13 Jul 93

[Text] A Korean enlisted man serving a unit of the U.S. Forces in the ROK deserted with arms. The police, therefore, are conducting intensive checking and searching operations. Private first class [PFC] Kim Chong-won, of the White Tiger Unit, U.S. 2d Infantry Division stationed in the Tongduchon area, Kyonggi Province, deserted early this morning wearing a bullet-proof jacket and carrying an unloaded handgun and a gas-mask.

The Army investigation authorities and police have intensified checking and searching at check points to prevent PFC Kim from entering the metropolitan area, and have dispatched a group of investigators to PFC Kim's home in Chonan County, South Chungchong Province.

Suspected Deserter Found Hiding

SK1307104293 Seoul YONHAP in English 1022 GMT 13 Jul 93

[Text] Seoul, July 13 (YONHAP)—A Katusa (Korean Augumentation to the U.S. Army) soldier earlier reported to have deserted from his camp with a weapon in his possession, was found hiding in his unit at Tongduchon on Tuesday. Pfc. Kim Won-chung, age 22, of the 2nd Regiment, 2nd Brigade of the U.S. Army 2nd Division, was found missing from his post in the pre-dawn hours Tuesday.

Notified of his missing, the capital garrison command quickly blocked roads leading to Seoul from the Tongduchon area and alerted all military and police installations North of Seoul. Pfc. Kim was knwon to have disappeared carrying with him an American-made pistol, a bullet-proof jacket and a gas mask while performing a night duty.

A U.S. military search team discovered him hiding in a boiler room near his unit's swimming pool around 11:30 a.m. He was turned over to Korean Army investigation authorities.

The reason for all the fuss was that he wanted to be transferred to a Korean Army unit. "Because of my language problem, I had much difficulty working there. I thought I could be turned back to a Korean Army unit if I get in trouble," Kim said.

U.S. Rejects Clause Checking Antidumping Abuse

SK1307025293 Seoul YONHAP in English 0153 GMT 13 Jul 93

[Text] Seoul, July 13 (YONHAP)—The United States has strongly opposed an international call to include a clause in the proposed Multilateral Steel Agreement (MSA) to check the abuse of anti-dumping complaints, breaking negotiations to draft a global accord on steel trade, a Korean Government official said Tuesday. The United States, chairing the MSA talks in Geneval [as received] on July 7-8, flatly turned down a proposal by its 24 negotiating partners, including Korea, Japan, Brazil, and the European Community (EC), to set up a provision to stop abuses of anti-dumping lawsuits.

Without such rule in the MSA pact, a free-for-all global accord to be replacing the voluntary restraint agreements that expired at the end of March 1992, Korean companies are expected to face frequent dumping charges in the future, the Trade, Industry, Energy Ministry official said, returning from the two-day meeting. The proposal by the steelmaking countries comes after the final punitive duties imposed by the U.S. Commerce Department on 3.2 billion U.S. dollars worth of steel from 20 countries, including Korea, on June 22.

Washington, revising its preliminary charges of January, slapped final punitive tariffs on 19 countries for selling steel at less than fair prices on the U.S. market and on 12 countries for illegal state subsidization. Korean exporters, subject to both charges, were saddled with 12.8-percent punitive margin on their mainstay hot-rolled sheet.

Although they are much better off than their Brazilian and French counterparts, who were levied 101.8 percent and 95 percent, respectively, analysts say Korean steel exports to the U.S. market that totaled 430 million dollars last year, will sustain a setback of 100 million dollars because of harder competition with American steelmakers. World steel exporters to the United States argued that Washington's urge for quick conclusion of MSA while imposing heavy duties was contradictory and requested for political consideration in the final decision by the American International Trade Commission [ITC], scheduled for July 27, the ministry official said.

The U.S. ITC, an independent government agency, has 45 days to revise the Commerce Department's findings and determine if the domestic industry has been threatened or injured by unfair trading. The U.S. Customs Service can claim cash from exporters accused of dumping and subsidization according to the margins with a negative ruling by ITC. Washington turned deaf ears to its trade partners in last week's talks and stuck to its earlier position that the MSA should be settled within this year regardless of the ITC results or else that it has no choice but to drop the multilateral trade pact and sign agreements with countries separately, the ministry official said.

Seoul Seeks Removal of U.S. Financial Barriers

SK1307045893 Seoul THE KOREA TIMES in English 13 Jul 93 p 9

[By staff correspondent Yi Chang-sop]

[Text] The government is seeking to remove barriers Korean financial institutions in the United States face through bilateral talks with Washington. The Ministry of Finance [MOF] conveyed the government's position in an informal luncheon meeting with Lawrence H. Summers, undersecretary of the U.S. Treasury Department for international affairs, Sunday at the Lotte Hotel. At the meeting hosted by Finance Minister Hong Chae-hyong, Seoul expressed the intention to change the nature of the Korea-U.S. financial policy talks, which have been a major vehicle for Korea to accommodate one-sided requests from the United States.

"I told Summers that the bilateral talks should be a "two-way street" whereby Washington makes efforts to phase away barriers or complaints Korean financial institutions face or raise in their U.S. operations. At the same time, the bilateral talks should be a forum for Korea to hear and solve complaints or barriers American financial institutions face in Korea," said Assistant Finance Minister Yim Chang-yol, who attended the Sunday luncheon.

Summers was quoted as having expressed a positive response to the proposal, saying that "it is a fair approach." Yim said the bilateral talks will no longer get full support from the Korean people and the financial community as long as they are designed to solve one sided requests from the United States.

Many analysts here interpret Seoul's proposal as "a demonstration of its confidence in its own financial reform and market-opening program." In the past, MOF stayed away from mentioning complaints Korean financial institutions in the United States have raised due to its timidity and passiveness in accommodating foreign complaints. It is said Korean banks in the United States have a tough time due to frequent audits from several U.S. regulatory agencies.

The U.S. Treasury Department, the Federal Reserve Board, the state regulatory agency and the Federal Deposit Insurance Corporation alternately audit Korean banks. In Korea, only the Office of Bank Supervision audits foreign banks once a year, except for occasional special audits.

It takes three to four weeks for one U.S. audit team to look into a Korean branch in the United States, a Korean manager at a Chicago branch said. Korean branch managers sometimes have to wait as much as six months to get working permits from the United States, according to MOF officials.

The MOF has been finalizing its survey on overseas operations of Korean financial institutions to check which country restricts what businesses to Korean financial institutions. It will be made public soon, an MOF official said.

On tax issues, Korean financial and industrial firms in the United States are said to have serious complaints, according to MOF officials. Even a U.S. banker here said that the Seoul-Washington financial policy talks should be "mutually beneficial to both sides," with each side seeking to solve each other's problems.

U.S. Praise of Reform

In the luncheon meeting, Summers was quoted as having said that "We praise the comprehensive financial reform and market-opening program" Seoul unveiled last month, according to Yim. Although Summers has expressed a positive response to the basic framework of the reform plan, he wanted to continue dialogue with Korea to follow through the implementation of the program, Yim said.

Summers was said to have expressed the wish that Seoul make efforts to accelerate the reform implementation and make Korean regulations more transparent, Yim said. Both sides agreed to meet late in September in Washington when the annual meeting of the World Bank and International Monetary Board is scheduled to be held.

Yim said, "Even if Washington praised our reform plan, I don't think that Korea and the United States have no pending problems in bilateral financial issues." In the Sunday breakfast meeting with Summers, managers of the three American banks, Citi, Bank of America and Chicago Bank, were said to have advised the U.S. Treasury Department of "continuing dialogue with Korea to solve on-going technical market access issues and guarantee of equality of competitiveness for U.S. banks here."

One U.S. banker indicated that the three U.S. bankers were positive to the basic framework of Korea's reform plan, adding, however, that it doesn't mean that there are not any more issues to be solved. "From my taking with foreign bankers here, I found that some of them expressed the wish to solve issues that directly affects the operations of foreign banks," Yim said.

For example, a few international bankers said foreign banks, which are engaged in a wholesale banking, face a great difficulty in meeting the mandatory lending requirements to small- and medium- sized firms. "I understand they have only one branch and have a tough time in taking collateral from small firms to which they lend," Yim said.

Asked to answer whether this means that the government has any intention to exempt foreign banks from the mandatory lending rule, Yim refused to make any comment. The MOF appears to be "sandwiched" between the National Assembly and foreign banks. The exemption will invite immediate outcry from the National Assembly and domestic banks that Seoul is giving a special privilege to foreign banks.

A few foreign banks are likely to demand the ability of the rule. But out of 51 foreign banks, only six are "habitual violators of the small business lending rule and most of them have been in full compliance with the rule," according to sources.

Roundup of ROK Reaction to G-7 Summit in Tokyo

SK1307082993

[Editorial report] Official reaction to the Group of Seven (G-7) Summit talks which were held in Tokyo from 7-9 July has been positive. Government sources "strongly" supported Clinton's proposal for a new Pacific community (YONHAP SK0807020993) and "welcomed the clear stance expressed by the G-7 summit in its political communique with respect to North Korea's nuclear issues" (YONHAP SK0807102893).

On 9 July, the ROK press, including the left-leaning HANGYORE SINMUN, carried positive commentary on Clinton's proposal for a new Pacific community (editorial report SK1007013293). The independent CHOSON ILBO said that "the Asia-Pacific countries should form a community of this nature in order to prosper in the 21st century," the independent TONG-A ILBO said that "the formation of an Asia-Pacific economic sphere will facilitate the reformation of the international economic order," and the leftist HANGYORE SINMUN said that the proposal for a new Pacific community was a manifestation of the U.S.'s "desire to participate actively in the Asian economic sphere." On 10 July, MAEIL KYONGJE SINMUN said that they thought Clinton's proposal for a new Pacific community was a move by the United States "to take the initiative in the Asia-Pacific region" (SK1007135093) while TONG-A ILBO said on 8 July that "the United States intends to use President Clinton's current visit to the Far East as an opportunity to outline its future Asian policy" (SK0807091093).

The only negative reaction to the G-7 Summit was seen in the 10 July editorial of the HANGYORE SINMUN entitled "The Success of the Tokyo Summit Talks Falls Short of Expectations" (SK1007095493) in which they said that "if the results of such summit talks cannot meet our expectations, no one can refute the allegation that the summit talks are useless."

Japanese Journalist Arrested for Secrets Violation

SK1307101093 Seoul YONHAP in English 0944 GMT 13 Jul 93

[Text] Seoul, July 13 (YONHAP)—The prosecution on Tuesday decided to place a Japanese journalist in Seoul under arrest on charges of violating the law on the protection of military secrets. The Seoul district prosecutor's office suspects that Masatoshi Shinohara, Japan's Fuji Television Seoul bureau chief, had regularly delivered to his home government the classified military information he obtained mainly from Lt. Cmdr. Ko Yong-chol of the Defense Intelligence Headquarters.

"Investigation has so far showed that Shinohara siphoned off Lt. Cmdr. Ko by far more classified items than previously disclosed by the Defense Security Command for delivery to the Tokyo government through the Japanese Embassy in Seoul," said a senior prosecution official. "This act cannot be taken as part of routine reportorial activities under any circumstances," he said.

Meanwhile, the government informed the Japanese Embassy Tuesday of its intent to place Shinohara under arrest. The immediate response from an embassy official was known to be that "we didn't know his case was so serious."

Information Minister O In-hwan said the planned arrest of Shinohara would be the "proper enforcement of law against an express criminal act." Meeting with reporters, O said the unlawful outflow of classified military information is an "act of crime that cannot be justified under whatever circumstances."

Japanese Embassy Concerned With Arrest

SK1307101293 Seoul YONHAP in English 0954 GMT 13 Jul 93

[Text] Seoul, July 13 (YONHAP)—Japanese Embassy in Seoul cautiously registered concern Tuesday at South Korean prosecution's decision to arrest under physical detention a Japanese correspondent suspected of obtaining military secrets.

The embassy was notified early in the morning by the Foreign Ministry about the prosecution's decision to physically detain Masato Shinohara, a correspondent of Fuji Television Co., while he undergoes probe and trial for obtaining classified documents from a South Korean lieutenant commander.

Chu Kyu-ho, director of Northeast Asia Division I, met with Japanese Counselor Masatoshi Muto at the ministry and explained the background to the decision, including the seriousness of Shinohara's violations.

Prosecutors discovered that the Japanese reporter did not destroy the classified documents as he said and kept some 100 still pictures of military strategic areas forbidden for photographs.

While the embassy seemed surprised at the prosecution's move, it did not express straightforward disappointment or complaint, apparently because Shinohara has violated South Korean law, Foreign Ministry officials said.

Muto was quoted as saying that Tokyo did not realize the graveness of Shinohara's act and said his government was "worried" about how the situation may develop in the future.

The prosecution's decision comes against the ministry's strong recommendations that the journalist be investigated without being placed under physical arrest.

"Shinohara is most likely to be deported after the trial. We believed that the prosecution investigation would reap results without having to place him under detention," said a Foreign Ministry official.

"But we don't expect the incident to develop into a diplomatic thorn as long as the investigation and the trial proceeds in full fairness," the official said.

TV Chief Said To Have More Documents

SK1007065093 Seoul YONHAP in English 0609 GMT 10 Jul 93

[Text] Seoul, July 10 (YONHAP)—The prosecution has found out that Japanese Fuji Television's Seoul Bureau Chief Masato Shinohara had received two or three more military documents from a Korean naval officer, an informed source said on Saturday. Lt. Cmdr. Ko Yong-chol, 40, who is under arrest, was found to have handed over 22 pieces of materials on the military, including five documents containing classified military secrets, to Shinohara.

The prosecution has also discovered that Shinohara gave around 100,000 won (125 U.S. dollars) on several occasions to Ko for traffic expenses. The prosecution is continuing its investigation to determine whether the money was given as a reward for obtaining the military documents, the source said. The prosecution is to release Shinohara, 40, on Saturday and will decide whether to take judicial action against him early next week.

Trade Minister To Visit PRC Early Sep

SK1307053193 Seoul THE KOREA HERALD in English 13 Jul 93 p 2

[Text] Minister of Trade, Industry and Energy Kim Chol-su said yesterday he will visit China in early September to hold talks with Chinese Foreign Economic Relations and Trade Minister Wu Yi. The talks will cover such topics as pending trade issues and ways of expanding trade and investment, Minister Kim said. Meeting with reporters at the ministry, he said, "The two nations will form an official framework to strengthen cooperation in the wake of the trade ministers' talks."

An official with the ministry's Northern Trade Policy Division said the nations are expected to sign a memorandum of understanding on industrial cooperation during Ministry Kim's visit to Beijing between Sept. 2 and Sept. 9. Korea will call for eliminating nontariff barriers to expand bilateral trade and easing of regulation requiring Korean-invested firms in China to export 70 percent of their production during the trade ministers' talks, he said. China will likely ask Korea to make more investment and remove additional tariffs Korea has imposed against a flood of cheap Chinese agricultural and industrial products, the official said.

The minister said Korea's trade with China has expanded considerably this year, as it did in the previous year. The nation shows signs of departing from labor-intensive, small-scale investment into China, and Korean investment is spreading into China's three northeastern provinces, he added.

As to the summit between President Kim Yong-sam and President Bill Clinton that ended Sunday, Minister Kim forecast that trade issues between the United States and Korea will be discussed through the Dialogue for Economic Cooperation (DEC) the two presidents agreed to launch. Ad hoc group meetings of the DEC will take up specific issues of each country, and an "industrial alliance" between two countries will be implemented in the framework of the forum, Minister Kim said.

Asked about the new five-year economic plan recently announced by the government, he said the ministry will form a committee, headed by the vice minister, designed to implement details of the plan. Working-level officials group will also be inaugurated in each area, and they will hold a monthly meeting to examine the implementation process, the minister said.

Business Group Agrees With Beijing on Construction

SK0507084293 Seoul YONHAP in English 0729 GMT 5 Jul 93

[Text] Beijing, July 5 (YONHAP)—The Dong-Ah Business Group of South Korea has agreed with the city government of Beijing to push for joint construction of subways, expressways and a cement factory in Beijing.

Beijing seeks to build the facilities in time for its proposed hosting of the Olympic Games in the year 2000. The construction projects, expected to cost around 3 billion U.S. dollars, would be the largest joint-venture projects involving a South Korean company if the agreement was translated into action.

Dong-Ah Chairman Choe Won-sok and First Deputy Mayor of Beijing Zhang Baifa signed a letter of intent Monday afternoon at the Beijing City Hall, in which the Korean company agreed in principle to participate in major construction projects in Beijing.

The Beijing government has set aside 800 million dollars to finance part of the multi-billion-dollar construction projects. The city government has promised to guarantee the payment of interests on the foreign loans that Dong-Ah will borrow, Choe said.

Dong-Ah and the Beijing government see that the construction of the planned 29.5 km-long No. 3 subway line in Beijing alone would cost 960 million dollars. Zhang has proposed that the two sides finance the project equally.

"This agreement shows the Chinese Government's strong willingness to pursue substantial cooperation in capital and technology with South Korean companies in the wake of the inauguration of a new government in South Korea," Choe said.

Dong-Ah will seek to form a consortium with other South Korean comapanies for the projects, he said.

Ships Said Attacked, Chased by Armed Pirates

SK1007031593 Seoul YONHAP in English 0123 GMT 10 Jul 93

[Text] Seoul, July 10 (YONHAP)—Three South Korean ships have been or barely escaped being attacked by armed pirates in the East China Sea between April and June, the Korea Shipowners' Association said Saturday. The pirates, some of them in Chinese military uniform, were said to be well trained and armed with guns and grenades and going after the cargoes instead of merely robbing crewmen of their valuables as in the past, association officials said.

A 5,000-ton cargo ship of Dooyang Line Co., sailing between Yokohama and Ho Chi Minh City, was attacked and seized by a pirate ship for 12 hours on June 18. The pirates attacked the Korean freighter with tear gas and tried to seize the cargoes, but they immediately withdrew when a Japanese Air Patrol appeared on the SOS call and left empty-handed. No one was injured in the incident.

The pirate ship was an outdated 15-knot speedboat, carrying 24 men in Chinese military uniform and six ordinarily-clothed sailors, armed with Soviet Union tear gas, AK rifles, and hand grenades. A 8,300-ton ship of Choyang Shipping Co. was chased by pirates for three days from April 28 and narrowly escaped their assualt.

Korean ships were attacked by pirates 105 times between 1991 and 1992, mostly in the Strait of Malacca and near Singapore. But the pirates now show up often in the East China Sea this year, the Shipowners' Association said. The association urged the government to work together with Southeast Asian countries to tackle the problem for the safety of the Korean ships.

Iranian Defense Official Arrives 8 Jul

SK1107020493 Seoul THE KOREA TIMES in English 11 Jul 93 p 3

[Text] A ranking Iranian defense official arrived here Thursday for a six-day visit, accompanied by his aides, according to a local arms industrial source. The source said yesterday that the visit by Iranian Vice Defense Minister Ghafarollahi [as published] was arranged by Kia and Daewoo Corporations, both major South Korean defense contractors.

Ghafarollahi, the source said, paid a courtesy call on Defense Minister Kwon Yong-hae at his office in the ministry yesterday morning. The source, speaking on anonymity, said he understood that Daewoo and Kia had invited Ghafarollahi to visit here in their efforts to search for measures of cultivating mutual relations between South Korea and Iran in logistics and supply fields.

Kwon and Ghafarollahi, according to the source, exchanged views on matters of common interest between both countries during the call. The source said that other key defense officials from both Seoul and Tehran also attended the conversation between Kwon and Ghafarollahi.

They were: Second Assistant Minister Pak Ung; Army Maj. Gen. Choe Ki-hong, senior policy and planning officer; Rear Adm. Kim Chong-tae, director of Foreign

Intelligence Bureau; Army Maj. Gen. Kim Sung-sop, procurement and development chief, from the Defense Ministry, and Amb. Zabihollah Now-Forsati; Azin, assistant defense minister for planning; Bonakdar, vice director at the Foreign Ministry, from Iran. Ghafarollahi will make an observation tour of manufacturing firms affiliated with the two defense contractors including Daewoo Motor Co. and Kia Precision Co., the source said.

Seoul, Canberra Fail To Agree on Beef Imports

SK1107020693 Seoul THE KOREA HERALD in English 11 Jul 93 p 8

[Text] Korea and Australia failed to reach an agreement on Korea's beef imports after two days of negotiations yesterday. Officials from the two sides will meet again tomorrow, Korean officials said. The Ministry of Agriculture, Forestry and Fisheries said the negotiations will resume at the ministry in Kwachon, south of Seoul, at 10 a.m. tomorrow. The talks, the fifth since June last year, were originally scheduled for one day Friday but were then extended by one day.

Seoul To Allow Sale of Beef by Foreign Companies

SK1307053993 Seoul THE KOREA HERALD in English 13 Jul 93 p 2

[Text] Korea will permit foreign companies to sell grass-fed beef in the domestic wholesale market on a gradual basis, the Ministry of Agriculture, Forestry and Fisheries said yesterday. The Korean government also agreed with Australia to hold further discussions, if necessary, about markups to grass-fed beef. Markups are charges levied on imported beef. These and other agreements came at the end of three days of negotiations here.

The Korea-Australia compromise came about two weeks after Korea and the United States reached an agreement on a variety of issues on Korea's beef imports. Ministry officials said Korea and Australia agreed to honor the Korea-U.S. agreement on issues other than the wholesale marketing of grass-fed beef.

Under the Korea-U.S. agreement, Korea set the 1993 quota for domestic beef imports at 99,000 tons with an annual increase rate of 7 percent until 1995. It will also give foreign sellers wider access to the simultaneous buy and sell (SBS) system.

Officials said Australia, a major supplier to Korea of average-quality grass-fed beef, demanded during the talks that it be permitted to sell wholesale beef from next January. Australia also insisted that Korea agree to permit the wholesale of 5,000 tons of grass-fed beef in 1994 and 15,000 tons in 1995, the officials said. But Australia later accepted the Korean position that it expand the wholesale marketing of grass-fed beef after an experimental marketing period scheduled for July-September this year, they said.

Beef from Australia accounts for half of Korea's imports, totaling 132,000 tons last year. Beef from the United States makes up 40 percent and New Zealand. The two countries have claimed that the ban on wholesale grass-fed beef discriminates against them in favor of the United States.

The majority of beef from the United States is high-quality grain-fed beef which is now on the Korean wholesale market. Korea is scheduled to conclude a series of year-long beef negotiations with beef exporters by holding bilateral talks with New Zealand Thursday.

Seoul, UNDP Sign Technology Information Pact

SK1007043293 Seoul THE KOREA TIMES in English 10 Jul 93 p 3

[Text] The government and the United Nations Development Program (UNDP) have concluded an agreement on the promotion of scientific and technological information services. The program is designed to develop and disseminate an integrated library system for efficient management of information scattered throughout various institutes across the country.

Scientific and technological information will be provided to research institutes, universities and other scientific communities through the projected integrated library system. For this four-year project which will continue until 1996, the UNDP and the Korea Research and Development Information Center (KORDIC) will each provide 200,000 U.S. dollars.

The agreement was signed Thursday [8 July] by Yu Hui-yol, director-general of the Technology Cooperation Bureau of the Ministry of Science and Technology, Romulo V. Garcia, UNDP representative ad interim to Korea, and KORDIC President Song Ki-su, at the ministry. Supported by the Ministry, more than 10 research institutes, including the KORDIC, are promoting a nationwide database for scientific and technological information. By the end of 1996, most of the member libraries joining in the Union Bibliographic Database will be automated through an "Integrated Library System" soon to be developed.

Air Force To Decentralize Management

SK1007023993 Seoul THE KOREA HERALD in English 10 Jul 93 p 3

[Text] The Air Force has decided to give lower-level units the rights to personnel changes, budget execution and operation which are now concentrated at its headquarters, a spokesman said yesterday. To ensure fairness in promotion, the Air Force has also changed its current three-phase screening system to a four-phase one. The new system will be implemented beginning this October when military officers' reshuffles take place, according to the spokesman.

In addition, the Air Force also said it will prolong the normal term of duty assignment for its personnel, from the present one year to 18 months, for effective personnel management, while doubling the frequency of regular reshuffles from one to twice a year. Those decisions were made at a meeting of key Air Force officials at the Kyeryongdae military complex near Taejon, some 150 km south of the capital city, presided over by Air Force Chief of Staff Gen. Cho Kun-hae yesterday.

"From now on, the Air Force Headquarters will not interfere in commanding and controlling its subordinate units too much. I will do my best to guarantee the commanding rights of lower-level units," the spokesman quoted Gen. Cho as saying. Cho said such rights as the grading of soldiers' duty performance, selection of Air Force civilian technicians and excellent pilots, discipline of subordinates and anti-crime guidance, which have been exercised by the head office, will be consigned to its subordinate units.

With this, Air Force officials said, the right to grade soldiers' duty performance will shift from the head office to wing-level units, including fighter wings; while the rights to transference, shifting the duty assignment of officers below colonels, will be relegated to the Commands of Operations and Logistics. Fighter wing commanders will be also offered more say in handling flight affairs, the Air Force added. Under the new four-phase screening system of the Air Force, a screening by senior officers of a specific branch of service with be added to the current three-part system.

Navy Ends Combined Maneuver Training Exercise

SK1307041993 Seoul THE KOREA HERALD in English 13 Jul 93 p 3

[Text] The Navy yesterday concluded its 15-day-long annual combined maneuver training exercise off the eastern coast, with the U.S. Navy absent for the first time, a Navy spokesman said. More than 80 Navy warships, including destroyers, high-speed guided missile cruisers and frigates, participated in the exercise, which began last June 27, he said. In addition, over 60 Navy and Air Force aircraft were mobilized in the the drill, he said. Also present were 1,500 Marine forces, he added.

Kim Yong-sam Meets Commander of Somalia Unit

SK1207120093 Seoul YONHAP in English 1127 GMT 12 Jul 93

[Text] Seoul, July 12 (YONHAP)—President Kim Yong-sam met eight officers of the Korean Army Engineering Unit set to be dispatched to Somalia as a UN Peacekeeping (PKO) Force over a tea party at Chongwadae on Monday afternoon. Among the eight was Lt. Col. Chang Chong-hun, commander of the engineering unit dubbed "Sangnoksu Unit."

"You will be the first Korean PKO Force ever to be sent abroad," said the president. "This means that the standing of our country has been elevated to a point where we can contribute more positively to world peace and wellbeing of mankind." Touching on the outcome of the recent Korea-U.S. summit meeting, Kim said the United States has manifested a clear commitment to the security of South Korea all the more because Korea now has a civilian-led government truly cared by the people.

President Kim urged sangroksu unit troops to become a good friend of the less fortunate people of Somalia and try to give courage to them. The Sangnoksu Unit is to leave for Somalia in a few days. An advance contingent has already been in the civil-war-torn country preparing for the arrival of the main party.

NSP Head Denies Politics Behind 'Peace Dam'

SK1007022293 Seoul YONHAP in English 0108 GMT 10 Jul 93

[Text] Seoul, July 10 (YONHAP)—Kim Tok, director of the Agency for National Security Planning [NSP], says there were no traces of "politically-motivated distortion or exaggeration" in the government's assessment on the magnitude of possible North Korean "water attacks" on South Korea by opening the flood gates of a dam Pyongyang was building in an area just north of the Demilitarized Zone. Testifying before the National Assembly National Defense Committee Friday [9 July], Kim said his agency has determined that North Korea has completed about 40 percent of the construction of the Kumgangsan Dam so far.

It was the Kumgangsan Dam that North Korea began to build in 1986 that triggered panic in South Korea and prompted the government of President Chon Tu-hwan to build "the Peace Dam," just south of the DMZ to "contain" North Korea's flood attacks. But some critics have charged that the Chon government whipped up an anti-communist hysteria in the South by exaggerating the threats of North Korea and collected donations in billions of won from ordinary citizens to build the Peace Dam.

With the inauguration of the first civilian government of President Kim Yong-sam, however, critics as well as many ordinary citizens demanded to know the truth to the alleged North Korean threats and whether the Peace Dam was being built by the Chon government as part of its power game. The construction of the Kumgangsan Dam is still in progress, Kim told the lawmakers, and the Seoul government has to decide whether to resume building the Peace Dam after gauging the true intention of North Korea and asking the people for a national consensus.

Seoul Not To Forgive Favor-Seeking Public Servants

SK1307061393 Seoul YONHAP in English 0540 GMT 13 Jul 93

[Text] Seoul, July 13 (YONHAP)—President Kim Yong-sam said Tuesday he would not forgive any public servants who seek self-interest in government policies and ask for favors in appointments. Kim made the warning at a breakfast meeting with 27 cabinet ministers, secretary-general of the advisory council on democratic and peaceful unification Yu Kyong-hyon and Seoul Mayor Yi Won-chong.

Kim said he will mete out stronger than ever punishment to corrupt officials. "If you receive any requests for favors and promotion, report to Chongwadae [presidential offices] immediately no matter who they are, " Kim told them.

The president instructed the cabinet members to wipe out the past custom of giving and accepting allowances for summer holiday. "Much corruption in our society have disappeared since the birth of the new administration, but I won't be stopping the reform drive," he said. Kim said that the government's reform program has entered the second phase and predicted a beginning of a clean officialdom with the launch of the new public servants' ethics law.

Under the revised ethics law, some 33,000 cabinet members, lawmakers, local councilmen and other high-rank public officials are obliged to register their assets from Monday to Aug. 11 with their offices or the Government Administration Ministry. The Ethics Committee will check accuracy and honesty of the registrations for three months and officials who have made false reports would face severe punishment. "We will be able to establish the propriety of the wealth reported by public officials through the registration and an actual inpection," Kim said.

The president reproached the ministers of lacking consistency and creating confusion in policy-making and said that the government should have sufficient discussions among ministries and with the ruling party on every new policies from the designing stage and execute them without fail once they are announced. He warned against go-easy attitude among public servants and urged them to carry out their works in a spirit of sacrifice and determination to save the country.

"The government, now in its fifth month in office, seems to be a bit too relaxed," Kim noted and asked them to set clear goals and laboriously pursue them. He reproved the ministers for lately submitting the reform legislation bills to the National Assembly session too late for it to handle them in its special session due to close Tuesday afternoon. He instructed them to be precise in answering questions during parliamentary interpellations and interviews to use those opportunities to publicize the government policies.

Samsung Tops List of Trading Firms in Exports

SK1007040993 Seoul YONHAP in English 0246 GMT 10 Jul 93

[Text] Seoul, July 10 (YONHAP)—Samsung Co., became South Korea's top exporter in a year ending June 30 this year with exporting goods worth nearly 8.7 billion U.S. dollars, outpacing last year's leader, Hyundai Corp., Ministry of Trade, Industry and Energy officials said Saturday. According to the ministry's provisional statistics, exports of Samsung totaled 8,697 million dollars in the year, up 17.9 percent from the previous year.

Samsung surpassed Hyundai Corp. in exports for the first time since 1990. Exports of Hyundai decreased 2.0 percent during the period from a year earlier, mostly because of sluggish exports of ships since the second half of last year and by labor-management disputes since last May.

Daewoo Corp. took third place among the big seven general trading firms with 6,649 million dollars, up 5.9 percent, followed by Lucky-Goldstar International Corp. with 3.8 billion dollars, up 1.7 percent. Exports of Ssangyong Corp. amounted to 2,505 million dollars, up 8.9 percent, and those of Sunkyong Ltd. increased 8.3 percent to 2,225 million dollars. Hyosung Corp. exported 2,088 million dollars for the seventh place while its increase rate of exports reaching 18.4 percent, the highest of the general trading companies.

Burma

Ministries Sign Agreement With PRC Companies

BK1007100593 Rangoon Radio Burma in Burmese 1330 GMT 9 Jul 93

[Text] A ceremony to sign an agreement between Ministry of Forestry Affairs, Ministry of Rail Transportation, and Ministry of Energy from Union of Myanmar [Burma] and companies and corporations from the PRC was held at the meeting hall of the annex of the Ministry of Foreign Affairs at 0930 today.

The ceremony was attended by Foreign Minister U Ohn Gyaw, Deputy Energy Minister U Tin Tun, Deputy Foreign Minister U Nyunt Swe; Mr. Pu Chaozhu, special adviser of the Yunnan Provincial Government of the PRC; members of his delegation; Mr. (Chi Ti Kyar), charge d'affaires of the Embassy of the PRC; members of the embassy; Thura U Aung Htet, director general of the Protocol Department of the Ministry of Foreign Affairs; and responsible personnel.

Public Service Personnel Discuss Constitution

BK0907144893 Rangoon Radio Burma in Burmese 1330 GMT 9 Jul 93

[Text] Delegates representing public service personnel continued their panel discussion on the prescription of fundamental principles of state that should be included in the drafting of the constitution at 1000 this morning in the Meeting Hall No. 8 at the Kyaikkasan Grounds, Yangon [Rangoon].

Lieutenant Colonel Thaik Htun chaired the meeting, while U Hla Win acted as secretary of the meeting.

After an explanation on the prescription of fundamental principles of state by the alternate chairman, Lt. Col. Htwe Maung from the Ministry of Defense held a discussion and presented suggestions. Then the alternate chairman gave the closing speech. The meeting ended at 1025 in the morning.

Continue Discussions 13 Jul

BK1307152693 Rangoon Radio Burma in Burmese 1330 GMT 13 Jul 93

[Text] Groups of National Convention delegates representing public service personnel, and other special invitees continued their panel discussions this morning at their respective meeting halls at the Kyaikkasan Grounds, Yangon [Rangoon].

The public services delegate group continued its panel discussion on formulating the basic principles of state suitable to be included in the constitution at 1000 this morning in the Meeting Hall No. 8. U Khin Maung Pyu from the Ministry of Transportation chaired the meeting, while U Hla Win acted as secretary of the meeting.

After an explanation on the prescription of fundamental principles of state by the alternate chairman, Air Force Lieutenant Colonel Myint Thein and Naval Commander Aung Myint both from the Ministry of Defense, Daw San Lay from the Ministry of Education, and Police Colonel Maung Toe from the Ministry of Home held a discussion and presented the suggestions. Then the chairman gave a closing speech. The meeting ended at 1120 in the morning after deciding to resume the panel discussions at 0930 on 14 July.

The special invitees delegate group continued its panel discussion on the same subject at 1000 today morning in the Meeting Hall No. 2. U Ko, former ambassador, chaired the meeting, while U Soe Lwin acted as secretary of the meeting.

After an explanation on the prescription of fundamental principles of state by the alternate chairman, U Saw Tun Sein, veteran, and U Myint Ein from special-4, East Shan State held discussion and presented the suggestions.

A total of 32 reports on suggestions have been read and presented at the panel discussions of the National Convention delegate group representing special invitees. Therefore, a group was formed among the delegates representing special invitees to compile the reports. The alternate chairman later delivered a closing speech and the meeting ended at 1105.

Intelligentsia, Technocrats Discuss Constitution

BK1207152793 Rangoon Radio Burma in Burmese 1330 GMT 12 Jul 93

[Text] The National Convention delegates group representing intelligentsia and technocrats continued its panel discussion for formulating basic principles suitable to be included in the state constitution at 1000 this morning at meeting hall No. 3 at the Kyaikkasan Grounds, Yangon [Rangoon].

The meeting was chaired by U Ba Han, law expert, while U Han Htu acted as secretary of the meeting. After the alternate chairman explained the prescription of basic principles of the state, U Zaw Myint Pe, director of the Office of the State Law and Order Restoration Council; Dr. Ko Lay, director general of Department of Health Workers; and U Sein Bo Tint, artist held a discussion and presented suggestions. Then the chairman gave a closing speech.

A total of 30 reports on suggestions have been presented at the panel discussions of the delegates group representing intelligentsia and technocrats. Therefore, a 15-member group, who are among the 30 delegates presenting the reports, was formed to compile the reports. The meeting ended at 1125 after it decided to hold a coordination meeting between the panel of chairmen and the group responsible for compiling the reports on 20 July.

Brunei, Malaysia & Singapore

Malaysia

Minister Proposes Conference on UN Peacekeeping

BK1307041293 Kuala Lumpur BERNAMA in English 0325 GMT 13 Jul 93

[By Syed Imran Alsagoff]

[Text] Singapore, July 13 (OANA-BERNAMA)—Malaysian Defence Minister Najib Razak has proposed a world conference on the management of United Nations' peacekeeping operations. The agenda for the conference could cover for specific areas, he said Monday when delivering a luncheon talk organised by the Foreign Correspondents' Club, here.

Najib said the conference could work out the proper structure of the decision-making process and plan for a far more efficient administrative machinery with less bureaucracy and red tape. He said there was also a need to have a mechanism to respond immediately to conflict because any delay could cost lives and worsen the situation.

The proposed conference could also look at the modus operandi of peacekeepers and come up with a certain minimum standard and increase their level of professionalism. No one can deny the fact that the UN is playing a far bigger role in international politics, he said, noting that over the years, the UN has been able to deploy its peace-keepers to several troubled spots. However, whether they have been effective or not, is, of course, debatable, Najib said.

In the case of Cambodia, things were today brighter than the days following the elections and the UN certainly could claim credit and deserved it too, he said. However, Najib said, in the case of Bosnia, things were far from satisfactory. The UN is impotent. Even humanitarian assistance to Bosnia is being stopped by Serbian units, he said.

Official: APEC Should Consider EAEC Foundation

BK1007125493 Kuala Lumpur NEW STRAITS TIMES in English 9 Jul 93 pp 1, 2

[Excerpt] Batu Pahat, Thurs.—Deputy Prime Minister Ghafar Baba said today the Asia-Pacific Economic Cooperation (APEC) conference in November should also consider the setting up of the East Asia Economic Caucus (EAEC). The question of the setting up and role to be played by the EAEC should not be set aside in discussions relating to economic growth in the region, he told reporters after attending a gathering at Seri Medan near here.

He was asked to comment on the statement by President Bill Clinton yesterday that the United States did not intend to let Japan dominate the world's fastest growing economic region. Clinton has said that as such APEC, a 15-country group that includes the United States and Japan, was scheduled to hold a ministerial meeting in Seattle in November.

Ghafar said that Malaysia was fully convinced that all nations would eventually accept the idea to set up the EAEC. "We are convinced that the U.S. will eventually accept the EAEC," he said, adding that the U.S. was "unhappy" that it was not invited to join the EAEC.

Ghafar reiterated that the EAEC would not jeopardise any group because it was only a consultative council to exchange views on the region's economic growth. On the stand taken by Japan which has adopted a "wait and see" attitude regarding the EAEC, Ghafar hoped that Japan's stand would be clear by the time it holds its election. "We are waiting for the forthcoming Japanese election... hopefully Japan will make clearer its stand on the matter," he said. [passage omitted]

Minister: Deterrence Cornerstone of Defense

BK1307091393 Kuala Lumpur BERNAMA in English 0348 GMT 13 Jul 93

[By Syed Imran Alsagoff]

[Text] Singapore, July 13 (OANA-BERNAMA)—Malaysian Defence Minister Najib Razak said here deterrence was the cornerstone of Malaysia's defence doctrine. To us, deterrence is the best posture to adopt given the strategic uncertainties in the region and beyond, he said, adding that the Malaysian Armed Forces (MAF) had to develop a credible deterrent capability. By developing a deterrent force, we hope to be able to respond to conflict when and where it arises, Najib said when giving a luncheon talk at the Foreign Correspondents Club here Tuesday.

Najib said that due to the uncertain and fluid nature of the strategic environment, the MAF had to be prepared for all eventualities. I must admit that immediately following the end of the Cold War, many of us were influenced by the so-called peace dividends. Unfortunately, it did not materialise, he said.

As a result, he said, Malaysia could not afford to reduce its defence allocation and let our guard down and be complacent. To us, total war is unlikely, although not inconceivable, he said. However, Najib said, the MAF was geared more towards meeting both low and medium intensity conflicts. Malaysia's defence development was not going to be threat bias, but instead to develop a comprehensive conventional capability. He said the MAF was currently on a modernisation programme towards building itself into a conventional fighting force.

Najib said, Malaysia was putting emphasis on developing the RMAF [Royal Malaysian Air Force] when he announced its decision to purchase 18 MiG-29 Fulcrums from Russia and eight American F-18 Hornets. He said the decision to buy a combination of MiG-29s and F-18s included considerations on capital cost, life-cycle and operational performance.

Touching on predictions that China and Japan would exert their influence in the region, Najib said he did not subscribe to views of certain quarters making out China to be the future bogeyman. China's defence modernisation is expected. She needs to replace her antiquated military equipment, he said. Malaysia was not worried about China's defence modernisation so long as she did not develop long-range offensive capability such as strategic nuclear-capable bombers and carrier battle groups. To me, we have to constructively engage the Chinese in political, economic and security areas, he said.

On Japan, Najib said much would depend on her domestic political scene, and her peace-keeping operations in Cambodia seemed to suggest that its future role would still be dictated by domestic politics. It would appear that Japan is still a long way to play a bigger role, although we would like to see Tokyo do so, he said. For Japan's external defence, Najib said it was clear that there was a general consensus on the continuation of the American-Japan mutual defence agreement.

Firm Plans To Participate in Iranian Projects

LD1207094493 Tehran IRNA in English 0919 GMT 12 Jul 93

[Text] Kuala Lumpur, July 12, IRNA—Malaysian company Ekran BHD is in advanced stage of negotiations with investors from Japan and South Korea to participate in several mammoth projects on the Qeshm Island Free Trade and Industrial Area (QIFTIA) in southern Iran. Details of the joint venture are being finalized, and the contract agreements for the projects are expected to be signed with the Qeshm Free Trade Authority (QFA) in two to three months, Ekran Chairman Ting Pek Khiing said.

Ekran BHD is one of Malaysia's largest companies engaged in telecommunication, cable manufacturing, housing construction and tourism. Ekran signed a memorandum on 14 December last year with Iranian officials to take on six development projects, five of which are to be sited on the Qeshm Island Free Trade Zone. Sources close to Ekran estimate the value of the projects at dlrs. four billion.

Iran declared the 1,000-square-kilometre island, about 25 km off its south coast, a free-trade zone in 1990. Ting, who is a business partner of the former Malaysian Finance Minister Daim Zainuddin said Ekran would lead a consortium to enter into joint ventures with the QFA.

Ekran and QFA reaffirmed the memorandum of understanding they signed last December during the recent visit by the Malaysian Prime Minister Mahathir Mohamed in April. The most ambitious project is the exploration and production of natural gas, and the promotion, marketing and transportation of the products to the end-buyers. Other projects are the construction of hotels, commercial and recreation centres on Qeshm Island and in Tehran as well as a fish processing factory in QIFTIA.

Ekran was now furbishing a 100-room hotel on Qeshm Island, Ting said after taking Iranian Deputy Mines and Metals Minister and QFA President Dr. 'Ali Shams Ardekani on a tour of the Santubong resorts near Kuching in east Malaysia state of Sarawak. The ten million dollars project will be ready by September or October.

However, Ting said, work on the 50-million-dollar project of 700-room hotel resort on Qeshm Island would begin late this year or in early 1994. The project will take about nine months to complete. Meanwhile, Dr. Ardekani said the Qeshm Island had great potential in developments, and he had envisaged it to become a "second Singapore." He said the QFA was now undertaking basic infrastructure works such as roads, airport and power supply on the Qeshm Island.

Ardekani arrived here on Tuesday for a one-week visit. He said that QIFTIA would require finance and credit in the initial stages of developing the island. He said the QFA was not getting Iranian investors to undertake the infrastructure projects, and that it would only start to promote foreign investments on the island when the basic infrastructure was ready. The island has abundant reserves of natural gas, with proven reserves that can produce 60 million cubic metres of natural gas per day for over 100 years.

Editorial Views Recently Concluded G-7 Summit

BK1307123393 Kuala Lumpur NEW SUNDAY TIMES in English 11 Jul 93 p 14

[Editorial: "Power and glory on show"]

[Text] Mythologised by an army of Press toadies, the annual beano [as published] of the Group of Seven rarely fails to arouse hope that this ebullient jamboree of the rich and powerful would rub off on the rest of the wide-eyed and slick-jawed world. However, this most prestigious of multilateral economic galas is only less tawdry than the high-society ball—a grandoise hob-nob of economic powerbrokers mulling over world affairs while adroitly evading any risk to self-interest.

The meetings of the 1980s, probably the most successful, engendered the Plaza Accord during the last recession, and was almost a paradigm of fiscal and exchange rate cooperation. Where immediate self-interest is fuzzier, policy coordination has not been latched on with such alacrity. Even the conclusion of the Uruguay Round of the GATT, ostensibly the fore-most item on the agenda in Tokyo, was fudged over with a craftily composed dodge.

Specifics were evasive, apart from the imminently deferable deadline of the end of the year. The liturgy of issues which had plagued the Uruguay Round since it began seven years ago remain tacitly shelved.

The first of these, trade in agricultural products, not only skews the terms of trade in these commodities but condones protectionism and undercuts producer costs by official subsidy. Take as one such example the iniquitous effect of beef production under Europe's common Agricultural Policy. Low quality beef is dumped as aid into West Africa, robbing in one fell swoop the livelihood of the herdsmen of the Sahel, the region's traditional suppliers.

Another vexing point, trade in services (mostly but not entirely in the form of cross-national incompatibilities in standards and procedures) was of merely glancing interest in Tokyo. Add this to the obstacles in international arbitration and the settling of disputes accross frontiers and the culmination of the Uruguay Round begins to look like a pipe dream.

However, the Tokyo G7 was not a total whitewash for the world's free traders. The market access agreement made with Japan by the United States and supported by the EC and Canada could, optimistically, yet turn out to be the genesis of a more comprehensive across-the-board regime for lower tariffs for manufactured goods. But any such sanguinity should be taken with a pinch of salt—there is a growing tendency in the industrial world to be spartan about trade concessions.

The G7 was less than magnanimous in its conduct of economic hegemony. But in two singular exceptions, the meeting was an unimpeachable success. Economic aid to Russia was a moral victory for U.S. President Clinton, who succeeded in passing the hat round to the tune of U.S.$3 billion as a demonstration of Western support for Russian reforms under Presient Yeltsin. The sum, however, was parlous in comparison to the U.S.$43 billion package of aid, lending and debt rescheduling agreed to by both Presidents in April. Clinton's six co-conferees pleaded recession and budgetary constraints. Russia wants the G7 to become a G8, so as to obtrude its economic future into the collective concerns of the other seven. It was politely declined although the option was left open.

In comparison, the most laudatory outcome of the Tokyo meeting was the proclamation over Bosnia. The summit's communique warned both Serbia and Croatia that neither financial nor commercial assistance including "reconstruction aid" would be forthcoming should they persist in dismembering Bosnia. The U.S., the only major power to tear itself from the European cohesion in favour of the arms prohibition on Bosnia, stepped up the momentum on its aborted attempt to lift the ban at the United Nations by linking up the embargo to the danger exposed to the UN peacekeepers. Washington would push to relieve the embargo should it be "impossible to sustain the UN relief and peacekeeping operation." If only its allies can see the logic of this.

Mahathir To Discuss Diplomatic Ties With Albania

BK1207075093 Kuala Lumpur Voice of Malaysia in English 0600 GMT 12 Jul 93

[Text] The question of establishing diplomatic mission will be among the topics to be discussed between Datuk Sri Dr. Mahahtir and Albanian President Berisha and Prime Minister Aleksander Meksi. The prime minister is on a three-day official visit there.

Deputy Secretary General of the Foreign Ministry Datuk Abdul Halim Ali said Albania was planinng to set up its mission in Kuala Lumpur and had asked Malaysia for assistance. Apart from the issue to step up economic and cultural cooperation between the two countries, Datuk Sri Dr. Mahathir is also expected to discuss the development in Bosnia and Eastern Europe with Albanian leaders.

104 Foreign Fishermen Arrested in 1st Half Year

BK0907103493 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 8 Jul 93

[Text] The Marine Fishery Department has detained 104 foreign fishermen, the majority of whom are from Thailand, Vietnam, and Indonesia, in the first six months of 1993. The foreign fishermen have encroached on national waters, especially on the east coast of the peninsula.

Speaking in Kota Kinabalu, Mr. Abdul Harun Syukur, chief of the Marine Fishery Office, said legal action have been taken so far against 476 foreign fishermen and 17.7 million ringgit in fines and fishing gear worth more than 10,000 ringgit have been collected. During the said period, 44 trawlers have also been confiscated. Mr. Abdul Harun said fishermen in Sabah and Sarawak must also be vigilant against the activities of foreign fishermen.

Singapore

Officials View PRC's Infrastructure Projects

BK0907150893 Singapore BUSINESS TIMES in English 9 Jul 93 p 4

[Text] Some Singapore officials are concerned about the viability of infrastructure projects proposed by cities in China's Shandong province. The competition between the cities appears to have raised fears of duplication. "Every city wants an international airport and a seaport. Where is the demand?" asked one Singapore statutory board official on a delegation visiting the province.

For example, Yantai and Weihai will be linked by an expressway which will cut the travel time between the two cities to 40 minutes. Yet, both cities are putting forward plans to expand the airport and seaport. Another Singapore official fears that in their eagerness to develop, Chinese cities may end up pumping huge amounts of money into infrastructure projects with little regard to demand. If not justified, such projects could become financial disasters, he said.

The Singapore delegation which is led by Senior Minister Lee Kuan Yew, is in Shandong for a six-day visit. It has covered Qingdao and Yantai and is now in Weihai on the final leg of the trip. Included in the delegation are some 100 businessmen and key officials of various statutory boards, such as the Port of Singapore Authority and the Jurong Town Corporation.

The delegation is assessing Shandong cities vis-a-vis those in Suzhou for the best place to transfer Singapore's public administration "software"—its experience in planning and managing a township. Yantai has offered Singapore a 77-sq km plot of land with an option to expand to a larger piece of land, while Weihai has proposed a 5-sq km of land for an industrial park. It has also invited Singapore to invest in a seaport, an airport, a power plant, a world trade centre and a tourist resort.

Shipping Firm To Build Ho Chi Minh City Port

BK0707010293 Singapore BUSINESS TIMES in English 5 Jul 93 p 1

[From the insert "The Shipping Times"]

[Text] Singapore—National carrier Neptune Orient Lines (NOL) is moving into port construction, development and operations—and it is doing so in Vietnam. On Friday, the company announced a tie-up between its subsidiary Mitorient Enterprise Pte Ltd and Taiwanese and Vietnamese concerns to build and operate a container port in Ho Chi Minh City. The project would cost at least US$25 million (S$40.2 million), depending on the type of port equipment that are chosen, NOL said in a statement.

Mitorient is a shipping agency and freight forwarding joint venture formed by NOL and Mitsui & Co in 1983. Mitorient's partners in the port project are Waterborne Transport Corporation No 2 (Watco), Transport and Chartering Company Corporation (Vietfracht) of Vietnam and Pan Viet Corporation of Taiwan. Watco and Vietfracht belong to the Vietnamese Ministry of Transport and Communications.

A joint venture agreement was concluded by the four parties on Saturday. The signatories were Mitorient chairman Lua Cheng Eng, Watco director-general Nguyen Chi Le, Vietfracht deputy director-general Luong Van Rang and Pan Viet chairman Chang Che Fa. The agreement will lead to the creation of a Vietnam-based joint venture company called First Logistics Development Corporation. The company will start construction work once it receives an investment licence from the Vietnamese authorities, NOL says.

There will be two phases in the development of the port, which is located by the Saigon River some six kilometres from Ho Chi Minh City Central. Under the first phase, the port will be constructed such that it occupies two-thirds of the 16 ha of land set aside for the project. After that, First Logistics will provide a host of services including warehousing, trucking and container storage. The second phase will span over the next five years and will involve the introduction of more port services.

Strong Yen To Push Japan's Manufacturers to ASEAN

BK1307020293 Singapore BUSINESS TIMES in English 12 Jul 93 p 1

[Text] Singapore—The surge in the yen is turning ASEAN countries, including Singapore, yet again into a production haven for Japanese electronics manufacturers. Many are shifting production into the region because the stronger yen has not only made it a cheaper place to produce, but has also made ASEAN a more competitive launching pad for lapanese exports, induistry sources said.

The yen has risen against the ASEAN currencies in the past year. By the end of 1992, it had climbed 1.4 per cent against the Singapore dollar and further gains were made in the first quarter of 1993.

"Because of the expensive yen, many Japanese manufacturers are keen to expand in the ASEAN countries," said Yasutsugu Kozuki, secretary-general of the Japanese Chamber of Commerce and Industry in Singapore. "The local offices of Japanese banks are busier than they were last year," he said. Many are being approached by Japanese manufacturers for loans to expand.

Added G Yang, managing director of Uniplas: "Many are transferring production either to their subsidiary plants here or passing them on to subcontractors." Uniplas makes and supply parts to major Japanese electronics manufacturers in Singapore.

"As long as the cost of production here is cheaper than Japan and it meets their requirements, they will shift," according to Mr Yang. Uniplas expects better business this year than last year, Mr Yang said. Likewise, Toshiba will see the production transfer raise the output of its colour television sets in Singapore by at least 10 per cent in the second half of 1993, said a company executive.

Watson E.P. Industries, a submanufacturer for many Japanese companies, would also get a boost. "Our business should pick up by at least 10 to 1 per cent in the next six months," said Seow Poh Eng, its managing director.

But labour shortage and high wages would limit the amount of production that could be moved to Singapore, industry sources said. Most of the production would instead be shifted to Malaysia, Indonesia or Thailand. Still, despite its disadvantages, Singapore continued to have an edge in terms of skills and reliability, said Uniplas' Mr Yang.

Electronics Market Share Reduced by ASEAN Rivals

BK1307023293 Singapore BUSINESS TIMES in English 12 Jul 93 p 2

[Text] Other countries in the region appear to be gaining on Singapore as a sourcing centre for parts, components and supporting services. Buying houses of electronics multinational corporations bought about 5 per cent less from Singapore vendors last year than in 1991. Meanwhile, they increased by nearly 50 per cent their purchases from elsewhere in ASEAN.

The latest Trade Development Board survey of some 100 international procurement offices (IPOs) based in Singapore shows that they spent [singapore dollars] $3.1 billion last year on parts and components sourced in Singapore, or 44.6 per cent of their total purchases. This is about $100 million less than what they bought from local supporting industries in 1991.

On the other hand, the amount procured from vendors in the ASEAN- 4, that is, Malaysia, Thailand, Indonesia and the Philippines, crossed the $1 billion mark to $1.1 billion, up from $743 million in 1991. This represented 15.8 per cent of total IPO purchases, against 10.9 per cent in 1991.

In all, the IPOs bought $7 billion worth of parts, components and supporting services in 1992, up from $6.8 billion in 1991. TDB expects the total purchases by these Singapore-based IPOs to increase 12.8 per cent to $7.89 billion this year.

There are now 105 IPOs in Singapore. The five additions this year are Amtek Singapore, Nissan Diesel Motor Co Ltd, Whirlpool South East Asia, ITI Communications Pte Ltd, and Creative Peripherals. The main items procured in Singapore by these IPOs include Winchester disk drives, printed circuit board assemblies, electronic components, precision plastic moulded parts, tools and dies.

American IPOs continue to be the biggest buyers, spending 10.4 per cent more last year, or $4.04 billion. They told TDB they may increase their purchases to about $4.23 billion this year.

Next were the Japanese IPOs, although the weakness industry saw them trimming their purchases by 17.3 per cent to $2.06 billion last year. Meanwhile, European IPOs procured 25.2 per cent more, spending $790 million last year. They expect this to grow by 62.5 per cent to $1.3 billion this year.

Last year, the bulk of the IPOs' purchases, or 38.8 per cent, were for use in Singapore factories. TDB said the $2.7 billion worth of parts and components were used by IPOs' plants and/or subcontractors in Singapore as part of their production, and the output was eventually exported.

IPO purchases bound for the ASEAN countries, excluding Brunei, fell by 25.6 per cent to $964 million, due largely to a 46.7 per cent drop in supplies to Malaysia. With more IPOs of South Korean origin setting up here last year, purchases destined for South Korea jumped more than two-fold from $15 million in 1991 to $51 million in the consumer electronics last year.

Cambodia

KR's Khieu Samphan Plans Return to Phnom Penh

BK1207131693 Hong Kong AFP in English 1007 GMT 12 Jul 93

[Excerpts] Phnom Penh, July 12 (AFP)—The nominal leader of Cambodia's radical Khmer Rouge [KR] faction Khieu Samphan was expected to return here Tuesday, government and U.N. officials said Monday.

Khieu Samphan was scheduled to meet with FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] leader Prince Norodom Ranariddh to discuss the return of the 1,000-year-old Preah Vihear temple which Khmer Rouge guerrillas seized in a pre-dawn raid Wednesday, a royalist party official said

"Khieu Samphan will be back on July 13. I think my boss will have a meeting with him to get an explantion about what the Khmer Rouge are going to do (regarding the temple)," the official said.

Khieu Samphan was also scheduled to meet with the deputy chief of the U.N. peacekeeping mission, Behrooz Sadry, U.N. spokesman Eric Falt said.

"The meeting is to include discussions on the possibility of the Khmer Rouge joining the new armed forces," a U.N. official said.

Khieu Samphan has not been in the capital since the Khmer Rouge left their compound here in April claiming they no longer felt secure. But the nominal leader, who has spent most of his time since then in the Khmer Rouge's jungle headquarters at Pailin near the Thai border, sent two envoys back to the city July 1 on a 24 hour visit to pave the way for his return.

FUNCINPEC and the Buddhist Liberal Democratic Party agreed recently to merge their military wings with the Phnom Penh army to form a united Cambodian armed forces.

But the U.N. official cautioned against over-optimism concerning the Khmer Rouge's apparent willingness to negotiate. "It is very unclear what they want and what they are prepared to offer he said.

The FUNCINPEC official said Prince Ranariddh had already discussed the seizure of the hilltop temple with Khieu Samphan but he refused to specify the means or whereabouts of their discussions.

"Khieu Samphan told Prince Ranariddh that the 'people' took Preah Vihear temple. But that was not a good explanation as everybody knows it was the Khmer Rouge," the official said. [passage omitted]

Prince Ranariddh accused the Khmer Rouge of impeding the process of national reconciliation, the party official said. The royalist faction sent troops to the northern province of Preah Vihear.

"ANKI (FUNCINPEC's army) troops are not very far from the temple. They are there to try and defuse the problem because we are the middle partner. We can talk both to the Khmer Rouge and to the State of Cambodia (Phnom Penh) forces," he said.

Another royalist official warned that if negotiations did not lead to the prompt return of the historic site, the combined government forces would attack the guerrillas.

But chairman of the joint chiefs of staff of the government's armed forces and former head of the Phnom Penh army General Ke Kimyan advocated patience. "The temple is very old and it could be easily damaged, that is why our policy is one of negotiation. I don't think it will be difficult to solve this problem as Prince Sihanouk can solve it through peaceful means," the general said.

A U.N. official said the peacekeepers had initiated discussions with the Khmer Rouge on the possibility of the faction joining the unified army at Prince Ranariddh's request. The prince wanted the U.N. to make the move as he felt restricted, the U.N. official said

"Hun Sen doesn't want much to do with Democratic Kampuchea (Khmer Rouge) and Prince Ranariddh fears that if he directs the talks people will say 'I told you all along that he is in collusion with the DK (Khmer Rouge),'" he said.

KR Offered Government Role, Propose Army Merger

BK1307115493 Hong Kong AFP in English 1053 GMT 13 Jul 93

[Text] PHNOM PENH, July 13 (AFP)—Khmer Rouge [KR] nominal leader Khieu Samphan proposed Tuesday that his guerrilla force merge with Cambodia's new united armed forces and said his faction would happily accept a role in the coalition government. "We have proposed to establish a quadripartite army so as to avoid clashes and confrontation in the military field," Khieu Samphan said.

He said the offer was made during an audience with the Cambodian head of state Prince Norodom Sihanouk "in the spirit of national reconciliation and in response to an appeal from his Royal Highness." Khieu Samphan also said the Khmer Rouge would participate "with pleasure" in the new government.

Prince Sihanouk recently offered the recalcitrant faction a government role, a FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] official said.

The Khmer Rouge nominal leader told reporters that Prince Ranariddh said his father suggested giving the faction some ministerial posts.

"If such is the case we would accept with pleasure in the spirit of national reconciliation. But for our part we demand no ministerial posts, only the role of counsellor," Khieu Samphan said.

But the FUNCINPEC official dismissed the idea that the Khmer Rouge's ambitions ran only as far as an advisory role. "For the time being they say they want an advisory role but they want very much to join the army and government," he said.

The military wings of the three main parties in the new government, FUCINPEC, the smaller Buddhist Liberal Democratic Party and the former Phnom Penh regime, agreed recently to merge their forces into a new united army.

But the FUNCINPEC official cautioned against premature optimism.

"We have to set some conditions to test their sincerity. If they are sincere, first they should give back Preah Vihear temple, stop all military activity and open up their zones," he said.

Khieu Samphan refused to say whether the Khmer Rouge would hand back the 1,000-year-old temple, which it seized July 7 in a pre-dawn raid.

Speaking to the press after meeting with the deputy head of the U.N. peacekeeping mission Behrooz Sadry and the U.N. force commander Lieutenant General John Sanderson, Khieu Samphan refused to say when the Khmer Rouge would join the Cambodian armed forces.

Both U.N. officials were cautious about labelling the Khmer Rouge leader's proposal a prelude to peace.

"We must keep our hopes high that it is a solution. It's at least the beginning of a dialogue that may lead to a final solution," Sadry said.

Sanderson was also hesitant to predict any immediate ease of tension on the battlefield.

"Our position is one of brokers trying to open up a dialogue on behalf of the Cambodian factions. But they have to decide the modalities of this (proposal). They have to decide it at the political level. Then they have to decide it at the military level," he said.

Prince Sihanouk's decision to offer the Khmer Rouge a role in the government came as a surprise as the prince issued a statement last week saying that not a single member of the faction would either participate in the government or work as an advisor to it.

The United States has stated that Khmer Rouge inclusion could be a barrier to aid for the country's cash strapped government.

Sadry did not wish to comment on whether aid could now be jeopardised.

"It's too premature to talk in terms of their involvement in any kind of government. I think we are just talking now of the beginning of discussions," he said.

The peacekeepers said their concern was how to maintain the current dialogue during the absence of both Khieu Samphan and Prince Sihanouk.

Khieu Samphan flew back to Bangkok Tuesday afternoon and the prince was scheduled to leave for North Korea July 15 and was not expected back until early September.

But Khmer Rouge spokesman Mak Ben and former Ambassador to China Chan Youran, who flew into the capital with Khieu Samphan, will remain here along with two other advisors, Sadry said.

Khieu Samphan did not say when he would return. "But he said he hopes to see me very soon," Sadry said.

Meanwhile Prince Ranariddh met with fellow co-president of the coalition government Hun Sen to discuss the negotiations with the Khmer Rouge, a FUNCINPEC official said.

The official said he did not think that the Phnom Penh party would raise major objections to the inclusion of their arch foe in the new government.

"The Paris agreement includes all four factions so we have to discuss (the Khmer Rouge's) role," he said, referring to the 1991 peace accord that brought a formal end to Cambodia's civil war.

Defense Ministry Leaders Visit Naval Brigade

BK1107061693 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 GMT 10 Jul 93

[Text] On 7 July, Their Excellencies Generals Tie Banh and Tie Chamrat, deputy defense ministers, accompanied by many high-ranking military officers from the Defense Ministry visited the officers and soldiers at the 96th Naval Brigade's base. Upon arrival at the base, the high-ranking Defense Ministry leaders were warmly welcomed by the officers and soldiers of the 96th Naval Brigade.

Commodore Chea Savakom, commander of the 96th Naval Brigade, delivered a report to the Defense Ministry leaders on the brigade's structure, means, and materiel and equipment, and talked about the terrain and positions where the brigade's units are stationed and the important tasks that the brigade is responsible for.

Commodore Chea Savakom also spoke on the spirit of the officers and soldiers of the 96th Naval Brigade who have always maintained discipline and carried out their tasks well. The commodore stressed that the 96th Naval Brigade has always been faithful to and respected the orders of its superiors and has supported national reconciliation for the peace and prosperity of Cambodia.

Speaking on that occasion, His Excellency [H.E.] General [Gen.] Chea Chamrat expressed his delight and chatted intimately with all the naval officers and soldiers, pointing out some important points, particularly regarding the shortages and requirements of the 96th Naval Brigade so as to facilitate requests for foreign aid.

H.E. Gen. Chea Chamrat pointed out: From the destruction in the past over two decades, we have now reached the period of national reconciliation and restoration. For this reason, in addition to moral support, material aid is also a necessity and an important goal for Cambodia.

H.E. Gen. Tie Banh also spoke on the formation of a new type of joint Cambodian National Army [CNA] embodying all the armed forces on the basis of national reconciliation, adding that in the future, our CNA will become a neutral army for the entire Cambodian nation. H.E. Gen. Tie Banh exhorted the officers and soldiers of the 96th Naval Brigade to continue striving to fulfill their tasks effectively, particularly to firmly maintain discipline and effectively contribute to ensuring public security and social order.

Later, the Defense Ministry leaders went to inspect the arms and materiel depots of the 96th Naval Brigade, the health office, and the living quarters of the officers and soldiers.

Sihanouk Receives Maltese Envoy's Credentials

BK0707073993 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 6 Jul 93

[Text] At 1100 on 6 July at the Teveavinichhai hall in the royal palace, His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council, received credentials from Prince (Jean Bosilis), who has been appointed Malta's ambassador extraordinary and plenipotentiary to Cambodia by the Maltese Government. Prince Norodom Sirivut, foreign minister of the Provisional National Government of Cambodia [PNGC], was also present on this occasion.

Speaking at this ceremony, HRH Prince Norodom Sihanouk welcomed the prince ambassador for his mission in Cambodia. He said the PNGC and the Cambodian people are happy with the Maltese personality and with the relations of friendship between the two countries.

The prince head of state informed the Maltese envoy that Cambodia has entered an era of liberal democracy, with a free market regime and press freedom after reaching an agreement to work together to end a war that lasted for over 20 years. The prince added that Cambodia has been successful in forming a provisional national government to take care of state affairs until the constituent assembly adopts a constitution.

Hun Sen Receives Japanese Ambassador 5 Jul

BK0507130893 Phnom Penh National Voice of Cambodia Radio in Cambodian 1100 GMT 5 Jul 93

[Text] His Excellency [H.E.] Hun Sen, co-chairman of the Provisional National Government of Cambodia [PNGC], had a cordial talk at 0830 on 5 July with H.E. Yukio Imagawa, Japanese ambassador to Cambodia.

H.E. Imagawa warmly congratulated H.E. Hun Sen on his appointment as co-chairman of the PNGC. He said that the Japanese Government fully supports the PNGC, considering it the best political formula for national reconciliation in Cambodia. He went on to say that the Japanese Government is very eager about urging the United Nations and various countries to give emergency aid to Cambodia, and it expects to organize an international conference soon to help rehabilitate and reconstruct this country.

H.E. Hun Sen informed the Japanese ambassador of the urgent need for bringing social and economic stability to present-day Cambodia because it is the foundation on which national reconciliation and the reconstruction of Cambodia are based. He stressed that maintaining peace, stability, and national reconciliation in Cambodia requires the assistance and support of the international community.

Foreign Minister Sirivut Greeted by Lao Counterpart

BK1207044393 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 11 Jul 93

[Text] Somsavat Lengsavat, minister of foreign affairs of the Lao People's Democratic Republic, recently sent a message to Prince Norodom Sirivut on his appointment as minister of foreign affairs and international cooperation of the Provisional National Government of Cambodia [PNGC].

The message reads: I sincerely congratulate Your Highness on your appointment as minister of foreign affairs and international cooperation of the PNGC. The Lao Government and people are deeply delighted that the Cambodian people, their neighboring friends, achieved great success in last June's election of the people's representatives, leading to the formation of the Constituent Assembly and the PNGC.

I truly believe that I will be able to join with Your Highness in expanding the time-honored good and friendly relations between the Lao and Cambodian peoples for peace, stability, and cooperation in Southeast Asia and the world.

I wish Your Highness good health and brilliant success in your noble task.

Indonesia

Daily Expresses 'Relief' at World Bank Loan

BK1207142793 Jakarta KOMPAS in Indonesian 2 Jul 93 p 4

[Editorial: "CGI's $5.1-Billion Loan Is A Relief"]

[Text] The World Bank's Consultative Group for Indonesia (CGI) finally decided to grant a U.S.$5.1 billion in rupiah financial aid for the 1993/1994 fiscal year. This amount is a slight increase compared to the loan given to Indonesia last year.

This was a relief for the government because its hope for such a a loan was realized. The loan was expected to amount to at least U.S.$4.9 billion. However, prior to its approval there was still a feeling of apprehension that the amount would be lower than the previous loan. This was connected with several criticisms made by the World Bank on Indonesia.

Before the loan was finally approved, there was a probability that the CGI donors would place certain pressing conditions on granting the loan which Indonesia could not possibly fulfill—for example, the loan would be conditionally linked with the human rights issue. We cannot affirm what conditions the donor countries had imposed upon Indonesia because the details and the approval of the loan by the donors was then in the process of bilateral discussions between Indonesia and the donor group.

The relief stemmed from the assumption that Indonesia was in dire need of a stipulated foreign loan and its efforts to avert pressure from certain quarters to be less dependent on official foreign loans.

If, say, the CGI extended only U.S.$2 billion in aid to Indonesia, would it adversely affect Indonesia's 1993/1994 economic situation? It would definitely not and will never aggravate the country's economic situation. This is so because only about 9.5 trillion rupiah or a little more than U.S.$4 billion would be needed for the 1993/1994 fiscal year—which could be siphoned from the balance of loans which had been acquired previously. We have not fully utilized all the loans we acquired over the years. There is still a balance from the loans which were acquired from IGGI [Inter-Governmental Group on Indonesia]—before the CGI was established.

The loan could not be expeditiously acquired even after the CGI meeting had concluded. The processing and acquisition of a foreign loan is time-consuming—even after the CGI had made its final decision and given its consent.

The CGI's U.S.$5.1 billion loan would be utilized for future programs. Thus, even if we received only a U.S.$2 billion loan, we would only be affected in the future fiscal years.

Then, what is the purpose of acquiring the U.S.$5.1 billion loan? First, it forms a guarantee toward the continuation of development projects for the oncoming fiscal periods. Second, it provides a feeling of security and relief. According to social psychology which includes the business circles, it could be observed that the government, in trying to avoid the occurrence of macroeconomic problems, will definitely manage and control the funds in ensuring security. Its ability to overcome difficulties remains unchanged. This was proved in its ability to acquire loans with certain principles attached, which among other things was to convince the foreign countries of Indonesia's ability to sustain its economic stance.

Based on a feeling of apprehension and insecurity, numerous speculations and issues would arise as a result of our prediction that we would be provided with only a U.S.$2 billion loan. Questions are expected to be asked with regard to the draft budgets, the balance of payments, business transactions, foreign exchange and many others. People and the business circles will surely embark on actions to ensure security for themselves. Even though such actions are uncalled for, this would continue to be the case until what they fear becomes a (self-fulfilling prophecy) [Proceeding term in English; parenthesis as published].

Therefore, we are relieved and feel secure in receivng this year's U.S.$5.1 billion loan.

But by "securing" the CGI loan, it does not mean that the "job" is done. We should further endeavor to increase our national income by cautiously mapping out our budget, particulary income derived from revenues. Looking at the balance of payments and business transactions, we still need to increase our exports—particularly the non-gas exports. In our tenacity to compete with other nations, we are intensifying our efforts to attract and increase foreign investments. We are currently creating a more conducive climate for domestic capital investments so that the incentive to invest in foreign countries (for example China) could be discouraged or at least reduced. There are still many more efforts.

We should embark upon this when there is a prevalent unfavorable situation within the country caused by the problems of high interest rates, stagnant national credits, economic inefficiency and high-cost economy.

In other words, there are still numerous things that we could venture into after acquiring the CGI's U.S.$5.1 billion loan. Once again, the granting of the loan has provided us with a psychological outlook—to feel relieved and secure.

Marine Police Detain Vessels, Foreign Fishermen

BK0907144693 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 9 Jul 93

[Text] A West Aceh Marine Police team arrested 25 foreign fishermen in two motorized vessels flying Thai flags when they were fishing illegally in Indonesian waters. Aceh Police Information Department chief, Police Major Sugimanto, clarified in Aceh today that the two vessels with the 25 foreign fishermen were caught yesterday when they were fishing about four to five miles from Lok Timon, Kuala Bubon, in West Aceh.

Meanwhile, West Aceh Police Chief, Police Lieutenant-Colonel Suryadarma, in his report to the Aceh police headquarters in Banda Aceh, said a marine police team was successful in arresting the two 40- and 50-ton deadweight vessels with modern equipment after receiving information from local fishermen.

Besides receiving information on the two vessels, the West Aceh police also said there are eight vessels with an estimated catch of about 1,000 tons still fishing illegally in West Aceh waters.

Editorial Views Negative Aspect of Foreign Loans

BK1207130593 Jakarta MERDEKA in Indonesian 2 Jul 93 p 4

[Editorial: "CGI Assistance and the Foreign Debts Problem]

[Text] The CGI (Consultative Group for Indonesia) [preceding four words in English], which held its meeting in Paris last Tuesday and Wednesday, finally agreed to grant a U.S.$5.1 billion (about 10.2 trillion rupiah) loan to Indonesia for the 1993/1994 fiscal year, a four percent increase over last year's financial assistance of U.S.$4.9 billion.

With the increase in the CGI's financial assistance for the 1993/1994 fiscal year, the people responsible for the country's economic planning heaved a sigh of relief. With the increased financial assistance, it is hoped that the country's development activities will be able to achieve their objectives. On the other hand, the increased amount of financial assistance provided by the CGI will undoubtedly impose a heavier burden on Indonesia's economy, because the country will still have to repay the loans under whatever terms they are given.

As we are currently talking about being self-reliant, it is obvious that the issue of increased foreign loans will cause great concern. Along with this, people can clearly see that with increased foreign loans and the ongoing effort to be self-reliant, the government had not chartered its course clearly. The 1993 Broad Guidelines of National Policy (GBHN) stated that national development would be directed mainly toward the country becoming self-reliant. What was asserted in the GBHN should be a distinct guideline to all parties involved in national development.

Therefore, with the government's determination to make the country self-reliant and reduce its dependence on foreign assistance—which includes development activities in the economic sector—there should be no further excuses. The government should cut back the amount of future foreign loans. This should be done in stages.

By March 1993, the country's foreign debt had grown to about U.S.$50.8 billion. In addition, by the end of December 1992, the private sector's foreign debt was about U.S.$24 billion.

Obviously, Indonesia's total amount of foreign debt will definitely grow with the CGI's increased financial loans to the country. Under present conditions, is it possible for the country's economic planners to reduce the debt service ratio (DSR) [preceding three words in English], which has now reached 32 percent?

The problem of soaring foreign debt not only affects future generations but could also create disorder in the country's short-term economic conditions. When the Latin American countries experienced drawn-out foreign debt difficulties, their economic condition deteriorated and weakened their competitiveness in the international economy. Thus, the government should not be too happy with the CGI's increased financial assistance, but should utilize such aid with the utmost care. This is because, under whatever name the aid is granted, the increased loan is a kind of trap toward becoming too dependent on foreign loans—just like Mexico, Argentina, and Brazil.

With the increased amount offered by the CGI, Indonesia would be faced with a heavier burden in rescheduling its payments on foreign loans. If Indonesia previously repayed a sum of U.S.$3 million annually, including interest, then the repayment on the loans would definitely increase. What has currently become a question is where Indonesia can find surplus income to repay an increased amount on the loans.

If the foreign debts impose a heavier burden on the country, then the increased amount of loans should be administered with greater responsibility and utmost care—particularly in the implementation of national development. Therefore, with stricter government control over the utilization of foreign funds, mismanagement of such loans would be greatly reduced.

Therefore, we should not be proud of the ability to obtain a foreign loan within a brief period. However attractive the conditions attached to the loans may be, such loans will absolutely become a greater burden on the country and the people.

If we look deeply at this issue, we would easily acknowledge that the donor nations also have a great interest in Indonesia. As such, it is obvious that they have their own motives besides granting us financial assistance.

Investment Prospects Described as 'Bright'

BK1007134193 Jakarta THE INDONESIA TIMES in English 26 Jun 93 p 3

[Text] Jakarta—Indonesia's prospects to attract domestic and foreign investments in coming years will remain bright despite competition from other developing countries and certain constraints, said Investment Minister Sanyoto Sastrowardoyo.

Sastrowardoyo said the main problems of investments at present were a decline in domestic investment since 1991 and a low rate of implementation of approved domestic and foreign investment projects.

To overcome these problems, the interest rate on credit should be lowered to an acceptable level in order to ensure return on investments, he said.

In the meantime, alternative sources of investment funds should be expanded and mobilized so that investors need not depend on loans.

"These other sources of investment funds are available today, but they are not fully utilized yet, such as stocks, bonds, venture capital, equity participation by individuals or companies," he said at a luncheon meeting held by the Indonesian Executive Circle here Thursday.

According to Sastrowardoyo, stocks and bonds were not popular yet in Indonesia as alternative sources of investment funds as was already the case in other developing countries such as Malaysia and Thailand. Investors in Indonesia were not yet fully aware of the advantages and driving capacity of such funds.

Meanwhile, he added, in reality there were a lot of individuals or companies in Indonesia willing to join local investors through partnership for the establishment of new projects or expansion of existing projects in order to overcome the shortage of investment funds in the domestic market.

He said his ministry would mobilize all sources of funds available in the domestic as well as foreign markets to finance investments in Indonesia in the framework of maintaining the country's economic growth.

"Let us hope that not too long from now, a new policy and guidance on the sale of national company stocks and bonds in overseas markets can be issued," he said.

Another serious problem faced by Indonesia was the concentration of investments in the island of Java especially in West Java, Jakarta, and East Java, he added.

High concentration of economic activities in urban areas will undoubtedly escalate urbanization and in the end create imbalance between urban and rural development, he said.

"Efforts have been made to direct investments to 15 remote provinces by providing incentives in the form of 50 percent deduction for land and building tax and the extension of the loss-compensation period from 5 to 8 years," he said, adding that to attract foreign investors, a better shareholding scheme was also being offered to investors who locate their projects in these provinces.

"However, this incentive is certainly not sufficient. Let us also hope that more incentives to stimulate investment to these areas could soon be issued," he said.

Indonesia would maintain its open and market-driven economy, he said.

The country will persistently defend its macroeconomic policies to gain international financial credibility by, among other things, retaining its free foreign currency exchange system, keeping its rate of inflation low, honouring its foreign debts, keeping its balance of payments under control and its debt servicing ratio affordable.

"Indeed, it is with this kind of monetary environment that we are determined to continue pushing higher the implementation rate of approved investment projects and the commitment of new direct investment which are badly needed by the country to ensure its economic growth, especially by the private sector."

In order to enhance investment through equity financing, he added, the Jakarta and Surabaya stock exchanges were privatized to make them more effective.

The bond, stock and venture capital scheme would also be popularized and institutionalized in Indonesia, he said. The deregulation and debureaucratization measures would continue to be taken by the government, especially in view of AFTA (ASEAN Free Trade Area) which was gradually to be established within 15 years commencing on the 1st of January 1993. AFTA was expected to make ASEAN a strong economy and attractive for partnership in trade as well as in foreign direct investment (FDI).

"AFTA will give Indonesia a better leverage in trade bargaining with other markets, thus also make Indonesia more attractive for foreign direct investment," he said.

Cumulatively, since 1967 up to May 31st, 1993, the Investment Coordinating Board (BKPM) had approved foreign investment projects (PMA) with a total investment value of U.S. $66.3 billion and 7,954 domestic investment projects (PMDN) with a total investment value of Rp. 225.7 trillion or about U.S. $109.0 billion.

Editorial Urges Firm Stand Toward Conglomerates

BK1007023893 Jakarta MERDEKA in Indonesian 28 June 93 p 4

[Editorial: "A Firm Attitude Toward the Conglomerates"]

[Text] The country's recent economic situation has been experiencing numerous challenges from within and outside the country. For example, the endless external problems begin from the difficulty in gaining access to international markets to the question of the donor countries becoming more selective in extending credit facilities to Indonesia. Regarding internal problems, the country's intensifying and problematic economic issues—such as the issue of stagnant credits—will not ensure our country's steady economic growth.

It is clear that certain groups are fearful of the country's economic growth coming to a standstill. This is due to the multitudinous problems connected with the distribution of funds. It is absolutely clear that officials responsible for the managing the country's economy should employ utmost care and good judgment because the current situation is totally different from what it once was.

First, the persons responsible for managing the country's economy should try to overcome the prevailing unstable and imbalanced economic stance in order to overcome one of the hardest problems. The bureaucracy should fully realize that the country's current economic situation forms the solution to ensure the country's future economic growth.

The growth of medium and lower class industrialists are currently "dwarfed" and impeded while conglomerates are progressively "bulging"; the country's economy is not only threatened, but the possibility of an outbreak of social conflict could be unavoidable.

Economic observers and people's representatives in parliament are duly concerned over the current imbalanced condition, which is prevailing among the group of medium and lower industrialists and the conglomerates. Several economic observers expressed hope that economic planning officials would swiftly embark on concrete steps to find a solution to eliminate the imbalances from dragging on and which could, in turn, prevent the occurence of social conflicts.

With all its political strength, the government is surely able to realign and stabilize the situation, which is currently prevailing among the medium and lower groups of industrialists and the conglomerates. But now a question arises—is there political will [preceeding two words in English] by the bureaucrats to bring about such a desired balance?

When receiving participants to the Indonesian Cooperatives Societies Annual Workshop session in Tapos, Bogor, West Java on Sunday, President Suharto stressed that conglomerates would never be allowed to control Indonesia's economy because the government has already made definite plans.

The head of state said, "As such, people should not fear that the conglomerates will have control over the country's economy. This is what I say—it will not happen." Then the head of state disclosed that the private sector would also not be allowed to control the country's economy. This would never be allowed to occur. The government will have complete control over the country's economy in its effort to provide the people with bigger benefits.

The statement by the head of state directly and clearly indicated that the government will definitely have complete control of the country's economy under any circumstances. In other words, one should not dream of the private sector holding a grip on the country's economy.

With such a statement, the conglomerates should sincerely realize that what they have achieved so far has not been meant for their own interests, but their achievements have strong connections with the people's interests.

Apart from this, the conglomerates should not have the impression that what they have achieved so far has been totally achieved through their own efforts. They should realize that they have progressed because of the situation and conditions.

The conglomerates will become arrogant and conceited if they do not realize this. And due to their pride and conceit, they will feel that they had made great contributions to the country and there will come a time when they will seek to suppress the economic groups under their control.

Once again, the country could possibly be confronted with social conflicts due to the country's economic imbalance and instability. Conglomerates should realize that the economic groups under their control also need their attention.

In an effort to uphold their respect and prestige, the medium and lower groups will not only need attention or aid from the bureaucrats, but also will need the bureaucrats' firm attitude in providing real assistance and opportunities to the weaker groups so they can grow and flourish.

Smaller industries will perpetually remain unchanged and will most probably wind up their businesses without these opportunities.

Earth Station for Communications To Be Established

BK1207080593 Jakarta THE JAKARTA POST in English 2 Jul 93 p 8

[Text] Jakarta (JP)—State-owned international telecommunications service company PT [Limited Company] Indosat will establish a coastal earth station to transmit mobile telecommunication signals through the International Maritime Satellite (Inmarsat) system next vear.

Indosat's president Cahyono Surjodibroto, told reporters after opening a seminar here that the establishment of the earth station to be located either at Cengkareng in West Jakarta, on Batam Island, in the North Sumatra capital of Medan or in Surabaya, East Java, will help facilitate sea transportation and enhance telecommunications from outlying regions. These services are often needed by forestry or oil exploration companies operating in remote areas.

The one-day seminar, which discussed Inmarsat services, was organized by Indosat in cooperation with Inmarsat, the Directorate General of Post and Telecommunications and the Directorate General of Sea Transportation.

"Indonesian customers making a call through Singapore's earth coastal station, of course, should pay more because there are fees for passing through Singapore.

"Therefore, with the establishment of the coastal earth station here, we hope we can reduce prices," Chahyono said.

Currently, the cost for telecommunications from land to the sea using the Inmarsat services via Singapore's coastal earth station in Indonesia is Rp [Rupiah] 17,800 (US$8.52) per minute for telephonic communication and Rp 11,700 ($5.60) per minute for telex, according to a sales manager for Indosat, Yoyo W. Basuki.

"And now, all telecommunications from one ship to another still has to use Singaporean or Japanese coastal earth station services which cost around $10 per minute," Yoyo said.

Indonesia, said Chahyono, will build a coastal earth station which can transmit Inmarsat's B and M digital systems. He did not elaborate on the investment needed to set up the station.

Inmarsat has two other systems, A and C which do not utilize the digital system.

Inmarsat M caters to the telecommunications' needs of medium-speed users such as yachts and fishing markets, while the Inmarsat B provides communication services to high-volume users such as cruise ships, oil rigs, super yachts and large oceangoing vessels.

Terminal prices for Inmarsat A range between $25,000 and $35,000, for Inmarsat B the prices vary between $35,000 and $50,000, Inmarsat C between $7,000 and 12,000 and Inmarsat M between $18,000 and 22,000.

By the year 2000, the Inmarsat system will be expanded with a new system called Inmarsat P which will provide direct access to satellites for international telecommunications through hand-held telephones.

Association To Approve All Golf Course Projects

BK1107093393 Jakarta THE JAKARTA POST in English 28 Jun 93 p 2

[Text] Jakarta (JP)—Ongoing and all future construction of new golf courses must have the recommendation of the Indonesian Golf Association (PGI), its chairman Sudomo says.

PGI will recommend that a project should continue or be halted altogether, Sudomo told reporters after meeting with President Suharto at the Merdeka Palace [Presidential Palace] on Saturday.

"I'm going to make a statement in the near future about golf courses," he said. "The courses must be built on barren land and must contribute to the regreening program."

This is the first time that Sudomo, a former cabinet minister, has publicly commented on the golf course debate which dominated national headlines last month when government officials made conflicting statements on the suitability of the links.

The largest opposition of the golf courses came from environmental groups and villagers whose land is being appropriated for the projects.

The debate subsided after the government ruled that it was temporarily halting the construction of new golf courses in the Greater Jakarta Area and Bandung.

Sudomo said that PGI is issuing four conditions which developers of golf courses must fulfill to obtain its recommendation.

The first is that a course must not be built on economically productive land. Secondly, it must help with regreening efforts in the particular area. Third it must bring socio-economic benefit to people in the area by requiring the developers to build a soccer field, a place of worship, a school or any other public facility. And fourth, the appropriation of the land must not lead to problems with local people.

"The developer must pay a fair price for the land it acquires and there must not be force involved," Sudomo said, adding that "nobody is compelled to sell his land."

He cited the case of a plot in nearby Bogor belonging to Brigadier General Ibrahim Saleh who has refused to sell it to a developer.

"That's okay, I support him," said the retired navy admiral. "This is a nation of laws and he has the right not to sell his land to anyone."

Philippines

Joint Border Patrol Exercises Held With Indonesia

HK1207140493 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 12 Jul 93

[Text] The Philippines and Indonesia will work more closely in their fight against illegal fishing, illegal migration and smuggling on the seas between the two countries. This closer relationship is the objective of border patrol exercises to be held in Cagayan de Oro City this month. The Philippine side will be led by Commodore Romeo T. Miana, commander of the Philippine Navy's Naval District 6, while the Indonesian side will be led by Laksma Maman Suparman, vice chairman of the Indonesian Border Committee. The border exercises, which would also involve a review of the patrol procedures and the improvement of the two countries' capability to prevent illegal fishing, smuggling and illegal migration.

The Civil Relations Service of the Armed Forces of the Philippines said the Philippine Navy participated in the border exercises of the two countries' navies, held last month in Tahuna, Indonesia. Among the warships that participated included BRP [Ship of the Republic of the Philippines] Miguel Malvar under Commander Wilfredo M. Tomoso and the Indonesian Navy ship Kri Kirapo under Major Laut Roon Ipendi.

Ramos on Appointments, Eurobond Sale, Modernization

HK1307080793 Manila DZXL Radio Mindanao Network in Tagalog 0606 GMT 12 Jul 93

[Weekly news conference by President Fidel V. Ramos with foreign and domestic correspondents at Malacanang Palace in Manila—live, in English; italicized passages in Tagalog]

[Excerpts] [Ramos] I have appointed, effective today, the honorable former Ambassador Manuel T. Yan as chairman of the government of the Republic of the Philippines negotiating panel for the peace talks with the Southern Philippine Secessionists, or SPS. I have also appointed as chairman of government of the Republic of the Philippines negotiating panel for the peace talks with the Communist Party of the Philippines-New People's Army-National Democratic Front or the CPP-NPA-NDF, honorable former Ambassador Howard Dy.

I have also appointed Secretary Rizalino Navarro of the Department of Trade and Industry as member of the Monetary Board, Bangko Sentral ng Pilipinas [Central Monetary Authority]. As you will recall, one cabinet member may be appointed by the president to the Monetary Board under the new law. Again, pursuant to the provisions of existing laws, I have appointed the following as members of the Cordillera Executive Board of the Cordillera Administrative Region: Mayor Mauricio Dumugan of Baguio City, Governor Maximo Dalog of Mountain Province, Governor James Panganiban of Benguet Province, Governor Pawingi of Ifugao, Governor Valera of Abra and Governor Waknang of Kalinga-Apayao. [passage omitted]

[Reporter] With the successful sale of DBP [Development Bank of the Philippines] Eurobonds in Europe, a big boost has been given to the Philippines' credit rating in the international financial community. Mr. President, in what way will this translate into concrete benefits for the country's economy?

[Ramos] Well, first of all—you said it—that is, reestablishing and even enhancing the Philippines' credit-worthiness among the so-called private sector financial institutions worldwide. [sentence as heard] Secondly, it will make available new capital in the Philippines of 175 million U.S. Dollars, which would be placed in the hands of the Development Bank of the Philippines for relending to the private sector. Now, the conditions, the rates, I understand, from Chairman de Ocampo of the DBP, were quite concessional [as heard]. Again, this is a tribute to the credit-worthiness of the Philippines, because, if you are a good risk, you are seen as a good customer who is liable to pay his amortizations and obligations on time. So, the interest rates are lower than usual. On the other hand, if you were a great risk, then the interest rates would be quite high, higher than normal, and collaterals should even be demanded. But, in this case, 'twas the good name of the Philippines that was sufficient.

[Reporter] Follow-up, Mr. President. Would you consider, with the successful selling in Europe, a floating of bonds in Tokyo, for instance?

[Ramos] Yes, that will be the next step. But this requires a little preparation. There are two other kinds of bonds that we shall try to market in the so-called Samurai and Yankee markets, meaning, there in Japan and there in the U.S. But I have no doubt that this will also be successful, but it needs some preparation. [passage omitted]

[Reporter] In you smiling [as heard] interview with J.V. Cruz you mentioned the need for more planes to patrol our seas because of poaching and smuggling. *It is as if you were telling us that our planes crash even before they are fired on.* [Audience laughs] Mr. President, how serious is the problem?

[Ramos] If I recall, what I mentioned there was the modernization of the Navy and Philippine Air Force, but the principal one is the Navy, *because most of our borders are maritime ones.* But the naval craft—if the program is carried out according to how I see it, which is the most effective at the least cost—the watercraft can also be the base of the aircraft, so that the patrolling could be extended not only to the limit of the watercraft, but also to the aircraft. [sentence as heard] But that aircraft, as you know, has got to come back to base for refueling, but that base can be a watercraft. [sentence as heard] *They will definitely crash without gas.* [Audience laughs] But it is a very important requirement for our national defense and for the protection of our natural resources and our environment. [passage omitted]

NUC Proposes Reforms To Ensure 'Lasting Peace'

HK1307055893 Manila BUSINESS WORLD in English 13 Jul 93 p 9

[Text] The National Unification Commission [NUC] has asked President Ramos to "address the root causes of internal armed conflict" by releasing peasant leader Jaime Tadeo, stopping yearly automatic payments for debt and prosecuting persons who benefitted from behest loans. The NUC made these recommendations in a four-page summary of sweeping social, economic and political reforms; consensus-building procedures and various other programs the NUC said the Ramos administration should implement to achieve a just, genuine and lasting peace.

The President has yet to act on these recommendations, which the NUC dubbed as "immediate doables." The recommendations are products of nationwide consultations conducted by the NUC and are considered by members of the peace body as measures needed to boost the peace process. A summary of more wide-ranging recommendations for action by other government agencies is contained in a separate nine-page report.

The NUC said in its report to the President the release of Tadeo, head of the Peasants Movement in the Philippines, who was convicted of swindling [previous word in Tagalog] in 1990, could bring about a better climate for peace. It also recommended the continuous review of the cases of political offenders and their release. Prominent rightist and leftist leaders were released at the start of Mr Ramos' administration but more than 400 less known political prisoners are still languishing in various detention centers, according to human rights groups.

The NUC asked the Ramos administration to draft and certify as urgent a bill that would repeal former President Ferdinand Marcos' PD [Presidential Decree] 1177, which allows the Chief Executive to by-pass congressional appropriation and allocate yearly payments for debt service. The repeal of PD 1177 was defeated at House at the behest of Speaker Jose de Venecia. Aside from the repeal of PD 1177, the NUC also recommended the "review of existing debt management and negotiation strategies and come up with non-traditional methods of obtaining debt relief."

It also proposed the review of investigations done by the Commission on Audit on behest loans to push the prosecution of individuals and firms with bad debts and the recovery of these ill-gotten wealth.

The NUC said it discovered the reasons for continued armed conflict in the country during its nationwide consultations. The NUC said these are poverty and economic inequity; poor governance and implementation of laws; injustice and inequity; defects in the political system and exploitation and marginalization of indigenous cultural communities. Only by removing these reasons for conflict could there be peace, the NUC said.

Government Rejects Amnesty Request

HK1307102993 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 13 Jul 93

[Text] Malacanang has rejected a proposal to grant amnesty to Jaime Tadeo, jailed leader of the Peasants' Movement of the Philippines.

Press Secretary Jesus Sison said that sectors of society should understand that Tadeo was not involved in a political crime but in swindling, which is a common crime. He added that the swindling case was based on an incident which happened before Tadeo even became the farmers' leader. Sison, however, hinted at a possible presidential pardon for Tadeo. He said presidential clemency may be granted when Tadeo has served a sufficient amount of his sentence.

The request to grant amnesty to Tadeo was among the National Unification Commission's recommendations to the president.

Tadeo was convicted of swindling and sentenced to jail in 1990.

Peace Talks Not To Start This Month

HK1307101793 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 13 Jul 93

[Text] The start of peace talks between the government and the Moro National Liberation Front [MNLF] will not push through this month.

Congressman Eduardo Ermita, member of the National Unification Commission [NUC], said the government and the MNLF have still not agreed on a date, even though the government has agreed to allow the MNLF to send only one senior representative just to get the talks going, if MNLF Chairman Nur Misuari does not wish to come.

Nevertheless, Ermita said the government has kept communication channels open, and there is no deadline for setting up peaceful negotiations.

Ermita explained that the government has shown readiness to accommodate the rebels' wishes, just to get the peace talks going, and that the MNLF should now show readiness to participate.

This was also the tone of statements by Defense Secretary Renato de Villa and Justice Secretary Franklin Drilon, also NUC members.

Thailand

Government on Cost of Patented Drug Protection

BK1307095793 Bangkok MATICHON in Thai 13 Jul 93 p 4

[Text] According to a report from the House Extraordinary Commission in charge of solving the problem of U.S. trade retaliatory measures, a sub-committee on Thai-U.S. trade relations has completed its study on the damages Thailand will suffer if it has to provide retroactive protection on new medicines as demanded by the United States as follows:

1. The first scenario: There are 300 to 400 pipeline drugs patented elsewhere but not yet marketed in Thailand. The country will lose 476 to 634 million baht in providing retroactive protection for a period of five years for this category of medicines, 936 to 1,248 million baht for a period of seven years, and 1,797 to 2,397 million baht for a period of 10 years.

2. The second scenario: There are 150 to 250 pipeline drugs that have been patented and are undergoing clinical tests but are not yet marketed. The retroactive protection for this category beginning 30 September will cost 238 to 793 million baht for a period of five years. The seven-year retroactive protection for the other 210 to 350 drugs will bring an extra expense of 468 to 1.56 billion baht. There are 300 to 500 drugs entitled to the 10-year retroactive protection and that will cost 898 to 2,996 billion baht.

3. The third scenario: The costs of the retroactive protection beginning 30 September for both pipeline drugs in categories 1 and 2 are—714 to 1,428 million baht for 450 to 650 drugs for a five-year period; 1,404 to 2,808 million baht for 510 to 750 drugs for a seven-year period; and 2,696 to 5,393 million baht for 600-900 drugs for a 10-year period.

Touching on Thai-U.S. trade, the sub-committee reported:

1. The United States is inconsistent in its trade bargaining with Thai exporters. Thailand has been listed on the U.S. priority foreign countries watchlist which makes it susceptible to U.S. trade retaliation.

2. If the United States suspends the Generalized System of Preferences tax privileges or increases import duties on Thai goods, Thailand's export earning will immediately drop by 5,575 million baht per year. Certain industries will be adversely affected as the problem of unemployment will emerge.

3. Athough U.S. trade retaliation lasts only four years, Thailand will lose its U.S. market to its competitors permanently.

4. The U.S. trade retaliation will impair Thai-U.S. relations.

The United States has successfully applied trade retaliatory measures against many countries because those countries depend on the U.S. market.

EC Investigates Watch Dumping; Producers Clarify

BK1207022793 Bangkok BANGKOK POST in English 12 Jul 93 p 26

[Text] The European Community will investigate the dumping of watches from Thailand and Malaysia, according to the Thai Commercial Counsellor's office in Brussels.

The office said the EC Anti-dumping Committee had accepted a petition from Ebauchee of France, citing a relevant tariff code, to investigate the import of watches.

The company had claimed that dumping by Thailand and Malaysia in the EC had increased from 233,878 units in 1989 to 1,694,992 units in 1992, up more than 600 percent within four years.

During 1989 to 1992 the market share of watches from the two countries had increased from 1.7 percent to 15 percent but EC demand had decreased 21 percent in the same period, the French company said.

The French company also claimed that the price of watches sold by the two countries had decreased by 45 percent cutting sales of European watches in the community by 15 percent and forcing an average 28 percent price cut. This had forced some European producers to close down.

The office said Thai and Malaysia watch producers could clarify the matter in writing or fill in the committee's question sheet within 30 days.

EC Raises Annual Tuna Import Quota

BK1207021993 Bangkok BANGKOK POST in English 12 Jul 93 p 26

[Text] The European Community (EC) has increased its annual import quota for canned tuna to 75,500 tons and is expected to increase it to the level of actual EC imports in 1991.

The Thai Commercial Counsellor in Brussels reported that on June 30, the EC increased the quota from 74,100 tons to 75,500 tons after Germany informed it of an increase of 1,164 tons in its canned tuna imports for 1991, which is the base year for calculation.

The EC calculated the additional quota using a projected growth rate of 9.9 percent per year, so the amount added was 1400 tons.

Early this year, the EC set its annual import quota at 74,100 tons a year and will set the quota for four years at 85 percent for old importers and the rest for newcomers. The quotas are part of the new EC single market. Previously, some countries imposed quotas, while others allowed unrestricted imports.

However, the major suppliers Thailand, the Philippines and Indonesia oppose the new EC-wide quota on the grounds that it raises trade barriers in countries that previously had no restrictions. The three argue that this is a step towards protectionism, breaking commitments made by members of the General Agreement on Tariffs and Trade (GATT).

The EC argues that the quotas are not too restrictive and incorporate annual increases.

The additional quota share of old importers will be 1,190 tons, while the remaining 210 tons will be allocated to new importers of 15 tons each.

The office said the EC calculated the quota of 74,100 tons by excluding the 46,492 tons of canned tuna which earlier had been declared as bonito sarda in order to get a tax concession under the Generalised System of Preferences (GSP).

It said if the EC had included this amount, the quota would not be less than 120,000 tons. EC importers, who also oppose the quota, are now try to convince the EC Commission, its executive, to increase the amount.

The office said ASEAN countries will raise the EC quota with the GATT dispute settlement panel on July 21, and the EC may consider increasing it.

Businessmen Urged To Invest in Vietnam

BK1107060093 Bangkok Radio Thailand Network in English 0000 GMT 11 Jul 93

[Text] Thai business people are urged to invest in Vietnam while that country imposes a ban on imports and exports of certain products. The order took effect on 16 April 1993 and remains valid until 1 March 1994 unless it is changed by the order of the Vietnamese prime minister. The ban affects Thai imports of log, processed wood, and rattan. It also temporarily forbids import of sugar except for that from Cuba. Vietnam and Cuba have agreed on barter trade of sugar and rice. Vietnam's economic growth is high and it cannot produce enough sugar and cement for local consumption. It has therefore called for investment from abroad. The price of cement has risen sharply and the Vietnamese Government has also increased import tax for cement by 30 percent. Vietnam has recently approved the setting up of a cement factory in Hue City, which is a joint venture with Hong Kong; and another one in Haiphong, a joint venture with Taiwan.

The Thai consul general in Ho Chi Minh City says Thailand still has an opportunity to export sugar and cement to Vietnam, depending on production capacity and terms of agreement. Besides, Thai business people can also invest in Vietnam, especially in the south which is large market for Thai products.

Russian Arms Deal May Be Used as Lever Against U.S.

BK1107023693 Bangkok THE SUNDAY POST in English 11 Jul 93 p 1

[Text] National Economic and Social Development Board chief Phisit Phakkasem has responded positively to a Russian proposal to sell a helicopter fleet to the Army through a semi-barter deal. The highly favourable offer would provide Thailand with an option which could be used to bargain with the United States which was applying various forms of trade pressure on this country he said yesterday.

"The Russian offer of a barter deal is good as we can see that many former socialist countries have adopted this trade practice in the sale of weapons. The most important thing is that they (the weapons) are cheap and there should be no problem with spare parts," he said.

Russia, in an apparent all-out attempt to clinch a 3,000-million-baht deal with the Army, proposes to sell 33 Mi-17V transport helicopters by taking Thai products including rice as half-payment.

Russian trading company Aviaexport offers to supply the 33 helicopters along with a spare parts stockpile to be set up in Thailand and a simulator as well as one VIP Mi-17 helicopter free of charge. The package is estimated to be worth US$130 million and Aviaexport said it was willing to spend the money on Thai products.

The Russian proposal has been shortlisted by an Army acquisition committee considering three helicopter makes.

The other two models are the US-made Bell 212, which has been the traditional helicopter model used by the Army for decades, and the S-70A Blackhawk. Mr Phisit said the Russian proposal was comparatively cheaper than the US model for which Thailand would have to meet "unending expenses" for knowhow.

Most countries have turned to barter arrangements in doing their business, he said. All countries should open up their countries to trade, he said, noting the former socialist countries have begun doing so. Technology from these countries was also good.

"Most important is that we now have surplus agricultural products. The only problem in trading with former socialist countries is that they are not familiar with internationally-accepted trading practices so some special arrangements are needed. Moreover, we will have to consider what we will use as the medium in the transactions," Mr Phisit said.

On Thursday, Army Chief Wimon Wongwanit said his force was seriously considering the Russian barter proposal but it would take some time before any decision was made.

Talking after welcoming Russian Charge d'Affairs Oleg Bostorin at the Army auditorium, Gen Wimon said careful studies would be needed to decide whether the Russian military hardware and weapons were suitable for Thailand.

The Army would need to consult arms experts before deciding on the deal, said Gen Wimon. He emphasised the Army would not buy the Russian weaponry only because "some people say they are good".

Gen Wimon has been invited to visit Russia this month.

Australia Withdraws GSP for Thai Products

BK1307093993 Bangkok Radio Thailand Network in English 0000 GMT 13 Jul 93

[Text] The Department of Foreign Trade has informed Thai exporters that Australia has announced its withdrawal of the Generalized System of Preferences, or GSP, for six [as heard] imported items—dried fruits, fruit juice, sugar, canned products, chemicals, textile, garments, and footwear. The targeted countries totalling 106 include Thailand.

Australia's withdrawal of GSP for those countries took effect on July 1, 1993 except for textile and footwear which will take effect on July 1, 1994.

Australia's import tariffs for products from those countries had been adjusted each year until the rate equals that fixed before July 1, 1993.

Burma Ready for Joint Ventures in Processed Wood

BK1307024293 Bangkok BANGKOK POST in English 13 Jul 93 p 6

[Text] Burma is prepared to consider joint ventures with Thailand to process wood, with about 80 Burmese sawmills said to be interested, Deputy Foreign Minister Surin Phitsuwan said yesterday.

Rangoon has decided to stop giving new concessions to Thai logging firms, probably with effect from early next year.

Burma is entitled to impose the ban on logs in the interests of its long-term environmental future, said Mr Surin. Cambodia and Malaysia have taken similar steps.

But the door is not closed to Thai timber traders because Burma remains prepared in principle to consider joint ventures in processed wood, he said.

If Thai investments make for more efficiency, the price of Thai timber will be less competitive and Thailand will have to adjust, said Mr Surin.

"We have said since Typhoon Gay that the end of our logging concessions would not lead to our plundering the forests of neighbouring countries because in the long run we would be adversely affected," he said.

Thailand banned logging in 1988 after a whole village in the southern province of Nakhon Si Thammarat collapsed under piles of logs brought down by flash floods a year before Typhoon Gay.

Wimon To Visit Cambodia, Meet With All Leaders

BK1007020393 Bangkok BANGKOK POST in English 10 Jul 93 p 7

[Text] Army Commander-in-Chief Gen Wimon Wongwanit yesterday said he would go to Cambodia soon and hold talks with all four Cambodian faction leaders in order to strengthen understanding.

Gen Wimon said the immediate task for Cambodia's new coalition government was to draft its national constitution and form a permanent administration.

He hoped it would help resolve any mistrust among the four factions and bring prosperity to the country.

He is confident that a stable administration would end further sporadic fighting along the Thai-Cambodian border.

Prasong Says KR Capture of Temple 'No Big Deal'

BK1207021193 Bangkok BANGKOK POST in English 12 Jul 93 p 5

[Text] Foreign Minister Prasong Sunsiri says the Khmer Rouge's [KR] capture of Cambodia's ancient temple of Preah Vihear last Wednesday stems from conflict within the guerrilla group.

The Khmer Rouge attacked Preah Vihear, a historic temple similar to those at Angkor Wat in northern Cambodia, before dawn and seized the site from government troops.

The incident was no big deal and would not cause the situation in Cambodia to deteriorate, Sqn Ldr [squadron leader] Prasong said, adding that the site was of no strategic importance to the faction.

The incident was due to differences among its local leaders on the role Khmer Rouge was now playing.

The provisional government of Cambodia earlier made continued efforts to bring the Khmer Rouge force into a unified army as a means to national reconciliation.

"Some of them (KR) may not like to see the guerrillas compromising with the interim government this much," Sqn Ldr Prasong said.

The Thai Burapha Task Force was also accused by Cambodian Information Minister Khieu Kanharit of supporting the Khmer Rouge's attack.

The Thai Foreign Ministry instantly denied the allegation, quoting a report from Thai troops that the Khmer Rouge did not enter Thailand during the capture.

Joint Malaysian Commission Meets 9 Jul

BK0907140693 Bangkok Army Television Channel 5 in Thai 1200 GMT 9 Jul 93

[Text] The Thai-Malaysian Joint Commission convened its sixth meeting today under the co-chairmanship of Thai Foreign Minister Squadron Leader Prasong Sunsiri and Malaysian Foreign Minister Ahmad Badawi. The meeting discussed ways to ways to further develop relations and cooperation and other issues such as problems concerning fishing in the common territorial waters and the demarcation line in the Padang Besa District. [Begin Prasong Recording] We discussed various projects and cooperation betwen the two countries and reviewed some unsettled problems which cannot be solved by local officials of the two countries. The two sides do not have any particular problems in general. The joint border committees at the local level are capable of solving minor problems. Our discussion today mostly concentrated on the further development of bilateral cooperation in trade and other areas. However, I did not raise the fishing problem for consideration during the meeting. [End recording]

The two sides have agreed to cooperate and support each other in trade, investment, education, and communications and promote cooperation between the private sectors in implementing the economic triangle project jointly initiated by the Thai and Malaysian Governments early this year.

Flow of Illegal Immigrants Called Problem

BK1307021093 Bangkok THE NATION in English 13 Jul 93 p A2

[Text] Political turmoil and fighting in neighbouring countries are flooding Thailand with refugees, causing an increasingly serious illegal immigrant problem, according to an official.

Between January and May this year, 38,798 illegal immigrants were arrested nationwide. The number of immigration officials handling the cases is 78.

In an interview with THE NATION, Commander of the Immigration Division Pol Maj Gen [Police Major General] Thatsanai Prachanurak said it was obvious that his division needs more personnel to cope efficiently with the problem.

"It is high time for the agency to be upgraded, because at present it is facing a severe manpower shortage," he said, adding that since the division was set up in 1965, there has been no increase in staff.

"We have proposed to the Cabinet that the Immigration Division be turned into bureau due to the shortage of officials," he said.

There are at present only about 30 official in charge of detecting and suppressing illegal immigration in Bangkok, according to Thatsanai.

"If the proposal is approved, staff strength will be expanded, enabling us to work more effectively," he said.

The commander said illegal immigrants started to make their presence felt in the country while it was enjoying a tourism boom during the past seven or eight years.

"To promote tourism, our policy has to be somewhat open. This has allowed an influx of foreigners into the country, many of whom intended to stay and work illegally in Thailand," he said.

"They can be divided into two groups. First from our immediate neighbours, including Burma, China, Cambodia and Laos. Others come from India, Pakistan, Bangladesh and Nepal."

Thatsanai pointed out, however, that the number of illegal workers coming from Cambodia and Laos has dropped since those nations embraced democracy.

"Besides, the government of Laos is enforcing a policy to prevent their population from flowing out of the country," he said.

But it seems to Thatsanai that Burma and China have not tried to follow the Laotian example, reasoning that "their natural resources will be not be so heavily exploited with fewer people around".

The division claims there are currently hundreds of thousands of foreigners working illegally in Thailand. Sixty per cent are from Burma, driven to Thailand after the military crackdown on prodemocracy demonstrators in 1988.

Thatsanai described the situation as worrying, his concern centering on the country's security and the fact that the illegal immigrants could occupy jobs while Thais face difficulties finding employment.

He said Burmese immigrants are in high demand in the labour market because of their relative physical strength and willingness to work for low wages.

"Employers like to hire them because they are hard workers and most of all they're in no position to negotiate," the commander added.

He said the problem of illegal immigration was universal and difficult to solve.

"The United States has as well been coping with illegal immigrants from Latin American countries, especially Mexico, and is largely unable to suppress them," Thatsanai said.

Admitting that the problem could never be completely resolved, he nevertheless acknowledged that the Thai government is trying its best to control the numbers and limit the range of illegal immigrants to border areas.

"Our policy is first to prevent them from entering our soil, but due to a labour shortage in the fishing industry, we have to let some in," the immigration chief said.

"To control the number and their places of residence, we have them registered with their employers, who are required to submit the list to our office.

"If any of them is found working somewhere else, the employer will be fined, and the worker will be sent back to his or her homeland".

According to the commander, before illegal immigrants are allowed to work in Thailand, job vacancies have to be publicized for Thais for at least 15 days. After that period, the immigrants can fill whatever jobs are left.

The Immigration Division will seek Cabinet approval to lift the "Visa on Arrival" privilege enjoyed by natives of 82 countries, including India, Pakistan, Bangladesh and Nepal.

The move, according to Thatsanai, will ease the existing immigration problem because it will be tougher for residents of those countries to enter Thailand.

Thatsanai admitted that the road ahead is rough because his division is simultaneously dealt with strict and loose regulations.

"While rigid regulations are needed to ensure the country's utmost security, the revenue from tourism and investment can be acquired only through a quick bureaucratic process.

"When it is secure, it is inconvenient. But when it is convenient, it lacks security," he said.

Chuan Criticized for Denying Public Access

BK1107034693 Bangkok THE SUNDAY POST in English 11 Jul 93 p 22

[Editorial: "Come on Mr. Chuan, Let's Have More Transparency in Government"]

[Text] People often compare the Chuan Likphai and the Anan Panyarachun governments in terms of achievement. Though it is a legitimate yardstick, Mr Chuan has some legitimate reasons of his own to excuse his alleged lack of concrete achievements. But aside from that, what most clearly distinguishes the two respected public figures is the degree of openness each one has brought or attempted to bring into the government. Here is where reasons become mere excuses.

Among all the things that Mr Anan has accomplished during his reign of the government, the one that has contributed most positively to our toddling democracy is his initiative to widen the people's right to information.

As prime minister, Mr Anan was not exactly a "friend" of the mass media. He had on various occasions snapped back at enquiring reporters and even used strong words to chide the media. But he tolerated them and even went to a great length to be fair.

Mr Anan was fair to the media because he realised that in large measure the media represent voices of the people. He realised that only when the people have at least fair knowledge about what is going on in the country, can they genuinely participate in its governance. The more people participate in the process the fewer social and political conflicts there will be and the more democratic we as a nation will become.

So Mr Anan set out to proclaim a major policy of what he called "transparency in the government". He set in motion the process of opening up access to the government's rich sources of information. His government drafted a bill called the News and Information Act now pending in Parliament.

What Mr Anan realised, Mr Chuan does not. Mr Chuan often talks about democracy and openness but his actions are not always consistent with his words. He has so far done nothing to advance the process of opening up the bureaucracy started by his predecessor. Now, some of his recent actions are beginning to show what he really thinks about transparency.

Two weeks ago, Mr Chuan refused to reveal the names of his nominees for the board of the Counter Corruption Commission (CCC). His reason was that revealing them before the nomination reached the House might subject the nominees to unfair accusations and protests, creating unnecessary conflicts in the nomination process.

Perhaps Mr Chuan has forgotten that the CCC's mandate is to ensure a clean government. Top officials of the agency such as the secretary-general can be nothing less than being clean and honest themselves. They should have nothing to hide from the public.

Announcing the nominees' names in advance of the nomination hearing, rather than jeopardising the nominees, is a way of showing confidence in their integrity. And if ensuing accusations prove to have ground, it would allow the nominator a chance to reconsider his choices. It is simply a proper way of screening out persons of questionable character.

Then this week, Mr Chuan made a remark that brought his judgment into question. In expressing his opinion against allowing reporters to observe the budget scrutiny hearings, Mr Chuan reasoned that the presence of reporters would discourage committee members from openly expressing their opinions and encourage them to play to the public, thus distorting if not jeopardising the scrutiny process.

One has to wonder whether Mr Chuan was trying to protect the committee members or insult their integrity. We must assume that the members would come to the hearings, prepared to do their job honestly and ably to protect the public interest. As taxpayers and voters, the public have the right to know what their representatives are doing with their tax money and whether they perform up to expectation. If the members are not willing to perform in the full knowledge of the public, then we are left with no choice but to assume that something fishy is going on.

The only way to assure the public that the Executive and Legislative branches are working for their interest is to allow them full access to information unless it involves matters concerning national security.

Mr Chuan should be true to his words that he wishes to carry on the "transparency" policy. He should start working on opening up all legislative and bureacratic processes to the public.

Vietnam

Hanoi Says Nothing New in G-7 Political Statement

BK1207124193 Hanoi Voice of Vietnam in English 1000 GMT 12 Jul 93

[Station Commentary]

[Text] The latest summit of the seven most developed countries or G-7 Summit has concluded in Tokyo. What were its results? Here is our editor's opinion:

The G-7 Summit ended with two statements on the political and economic situation. There is not anything new in the political statement. It deals generally with current contentious issues in the world. Economic problems dominated political problems, and that was the main concern of the discussion. The seven senior leaders of G-7 reached an agreement on cutting tariffs with the aim of promoting the Uruguay negotiating rounds and creating a breakthrough for international trade. However, as the French Radio RFI commented that the G-7 agreement only generally mentioned agriculture and only mentioned the necessity to have the treaty on services. There were no concrete measures taken such as on the contradiction on farm exports.

The G-7 leaders agreed to give Russia $3 billion aid to privatize state-run enterprises and to rebuild the Russian economy toward the market mechanism. This sum is $1 billion lower than the United States' primary proposal. In addition, G-7 leaders also committed to work together for a coordinated strategy to strengthen and restore the world economy. They showed determination to refrain from trade protectionism under any forms.

Many G-7 leaders evaluated the latest summit a successful. The BBC Radio on July 9 commented that the G-7 Summit did not make any new policies. Many observers said there remained many contradictions and economic differences which were not easy to settle.

Despite the commitment and agreement, observers said that it is likely that G-7 countries will act on their own will after returning to their countries.

Minister on Results of Vo Van Kiet European Tour

BK1007064993 Hanoi VNA in English 0611 GMT 10 Jul 93

[Text] Hanoi VNA July 10—The results of the visits to France, Germany, Belgium, Britain and the European Community by the Vietnamese Government delegation led by Prime Minister Vo Van Kiet have laid a new foundation and premise for the development of the cooperative relations of mutual benefit between Vietnam and those countries, said Foreign Minister Nguyen Manh Cam in an interview with VIETNAM NEWS AGENCY recently.

Highlighting the result of the visits, Nguyen Manh Cam said:

"During their meetings and talks, leaders and businessmen of the above-said four countries and the European Community welcomed Vietnam's policy of renovation and its initial but important achievements in the context of a complicated world situation and expressed their belief in the success of Vietnam's policy. They all agreed that Vietnam's open-door policy is suited to the present trend of development in the world and highly valued Vietnam's role in the region. Through those meetings they better understood Vietnam's policy, situation, capabilities and interests. Those are a favourable foundation to step up the relations in the coming time. The four European countries and the EC expressed their wishes to raise their bilateral relation with Vietnam to a new stage with higher quality, and on a larger scale comprising economy, commerce, science and technology, culture and politics, first of all economy and commerce.

"Leaders of these countries unanimously agreed to increase the exchange of experts with Vietnam in order to work out long-term cooperation ... France has agreed on a grant of 360 million francs as development aid, Germany 50 million d-marks [Deutsche marks], Belgium a yearly aid of 10 million USD [U.S. dollars] while Britain will grant 15 million USD for research projects on infrastructural construction and another 10 million USD for the programme of re-integration of Vietnamese repatriates.

"Businessmen, corporate presidents and directors of companies who met P.M. Vo Van Kiet also expressed their wishes to do business with Vietnam".

Further on Vo Van Kiet, Delegation Visit to Cuba

Meets Friendship Association

BK0907151393 Hanoi VNA in English 1435 GMT 9 Jul 93

[Text] Hanoi VNA July 9—The visiting Vietnamese party and Government delegation led by Prime Minister Vo Van Kiet, Politburo member of the Communist Party Central Committee, attended a cordial get-together with the Cuba-Vietnam Friendship Association in Havana on Thursday.

Present were Jose Ramon Balaguer, Politburo member of the Communist Party of Cuba Central Committee, in charge of external relations and ideological work, Sergio Coriari, president of the Cuba Institute of Friendship and Solidarity With the Peoples, Yolanda Ferrer, president of the Cuba-Vietnam Friendshup Association, and others.

During the event P.M. [Prime Minister] Vo Van Kiet and his party were acquainted with the seething and boad [as received] activities in the past of the Cuban Committee for Solidarity with Vietnam, now the Vietnam-Cuba Friendship Association.

Speaking at the function Prime Minister Vo Van Kiet expressed the sincere gratitude of the Vietnamese party and people towards the committee for its friendship activities in the last three decades, which helped encourage the Vietnamese people and their soldiers in the struggle against foreign aggression.

Earlier, the delegation visited an agricultural production team in Havana Province.

Also in the morning, the delegation called at two public health establishments in Havana.

Memorandum Signed With Cuba

BK1107151193 Hanoi VNA in English 1432 GMT 11 Jul 93

[Text] Hanoi VNA July 11—Vietnam and Cuba have signed a memorandum on cooperation in the field of posts and communications.

The document was signed in Havana on July 9 by Dang Dan Than, director general of the General Department of Posts and Communications, and Mr. Manuel Castrillo Rabassa, minister of communications of Cuba.

Mr. Dang Van Than, who is also member of the Vietnamese high-level party and government delegation led by Prime Minister Vo Van Kiet on an official visit to Cuba, had talks with Minister Rabassa on how to expand the cooperation in posts and communications between the two countries.

One of the things agreed upon by the two sides is the establishment of a direct two-way transmission line linking Hanoi and Havana in service of the two countries news agencies: VIETNAM NEWS AGENCY and PRENSA LATINA.

Vo Van Kiet Attends Farewell Ceremony

BK1207090393 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 11 Jul 93

[Summary] At 1400 [0800 GMT] in the afternoon of 10 July, Comrade Fidel Castro arrived at the government guest house where the Vietnamese delegation was staying and inquired about the health of Prime Minister Vo Van Kiet. The two leaders boarded the same car to go to the farewell ceremony at the airport.

The airport was beautifully decorated. There was a portrait of Prime Minister Vo Van Kiet and a slogan saying "Safe Trip Back Home." At 1440 the two leaders stepped on the platform and the military band played the national anthems of the two countries. Then Chairman Fidel Castro invited Prime Minister Vo Van Kiet to inspect the honor guard and meet Cuban Government officials and members of the Cuban Communist Party Political Bureau who came to bid farewell to the delegation. The chairman of the Cuban National Assembly, the foreign minister, and the vice president of the Council of Ministers were among the officials present at the airport. The two leaders also met with the staff of the Vietnamese Embassy and Vietnamese specialists and students in Cuba.

Chairman Fidel accompanied the prime minister to his plane and cordially embraced the prime minister and the other delegation members. Chairman Fidel left the airport after the plane was far away.

Returns From Cuba; Communique Issued

BK1207130293 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 12 Jul 93

[Text] Our country's high-level party and government delegation led by Comrade Vo Van Kiet, member of the party Central Committee Political Bureau and prime minister, returned to Hanoi this morning, 12 July, successfully concluding its visit to Cuba. At the conclusion of the visit, the two sides issued a press communique, which reads in full as follows:

The Vietnamese party and government delegation led by Comrade Vo Van Kiet, member of the Communist Party of Vietnam [CPV] Political Bureau and prime minister of the Socialist Republic of Vietnam, paid an official friendship visit to Cuba from 6-10 July 1993.

Comrade Vo Van Kiet and the Vietnamese delegation held talks with the Cuban delegation led by Comrade Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba [PCC] Central Committee and president of the Councils of State and Ministers of the Republic of Cuba.

The talks took place in an atmosphere of fraternity, which is a special indication of the Vietnam-Cuba ties. The two sides informed each other of the situation in each country; reviewed all aspects of bilateral relations over the past years; exchanged views on orientations and major measures to consolidate and strengthen the political and historic ties, which have bound the two parties and peoples together; as well as to vigorously promote economic and trade ties in the interests of the two peoples and for the sake of peace, stability, and development in the region and other parts of the world.

Both sides made useful exchanges of views on the experiences drawn by Vietnam and Cuba in implementing their socioeconomic development tasks aimed at making their ultimate goals of socialist construction come true. Both sides also discussed the situations concerning the two countries and international issues of common concern. The Cuban side thanked the Vietnamese party, government, and people for their solidarity with Cuba, especially for their recent donation of more than 11,000 tonnes of rice.

Prime Minister Vo Van Kiet paid a floral tribute to the Monument of Jose Marti, who is Cuba's national hero. On behalf of the Cuban Council of State, Comrade Commander in Chief Fidel Castro presented the Jose Marti Order to Comrade Vo Van Kiet.

The Vietnamese party and government delegation toured a number of historic sites and economic and scientific establishments in Cuba. On those occasions, the delegation was accorded a warm welcome by the comrade local officials.

Once again, the meetings between Prime Minister Vo Van Kiet and Cuba's highest-ranking leaders have testified to the political resolve of the two parties and governments to continue to provide mutual support and promote cooperation to develop to the fullest extent their political, economic, trade, and scientific-technical ties.

The Vietnamese side reiterated the Vietnamese people's solidarity with the fraternal Cuban people and expressed its everlasting gratitude to the Cuban people for having stood ready to sacrify even their blood for the final victory of the Vietnamese people's struggle for independence and freedom.

NHAN DAN Hails 'New Step' in Ties

BK1207073393 Hanoi VNA in English 0618 GMT 12 Jul 93

[Text] Hanoi VNA July 12—The result of the visit to Cuba by the Vietnamese party and state delegation led by Prime Minister Vo Van Kiet markes a new step in the development of the close friendship and traditional solidarity between two fraternal nations, says NHAN DAN in a commentary today.

The paper says :

"The visit has made important contributions to strengthening the mutual understanding, sympathy and trust between the two peoples. Prime Minister Vo Van Kiet on behalf of the Vietnamese people expressed their pride of having a staunch and loyal friend like the communist party and people of Cuba and their admiration for the unstinting efforts of the Cuban people over the past three decades, under the leadership of the communist party and President Fidel Castro to uphold the banner of independence, freedom and socialism in the Western hemisphere.

"Leaders of the two countries also expressed their satisfaction at the new steps forward of the friendship, solidarity and mutual assistance between the two peoples and affirmed that the two peoples will do their utmost to foster this fine tradition for the success of socialism in each country".

The paper goes on:

"The result of the visit will surely be a new encouragement to the two peoples and open new prospects for the development of the friendship, solidarity and cooeration between Vietnam and Cuba. The Vietnamese people are grateful to Cuba for its valuable support and assistance to their struggle for independence, freedom and socialist construction. They are all the more conscious that to strengthen friendship and cooperation with traditional friendly countries like Cuba is an obligation and also an important task in their present open-door policy".

Russian Price Committee Delegation Visits

BK1007150593 Hanoi VNA in English 1439 GMT 10 Jul 93

[Text] Hanoi VNA July 10—A delegation on the Committee on Price Policy of the Russian federation led by its Vice-chairman V.M. Saphonov has been here for an official visit to Vietnam.

While here the delegation paid a tribute to President Ho Chi Minh at his mausoleum.

On July 7, it was received by Deputy Prime Minister Phan Van Khai.

The Russian delegation had working sessions with the government pricing commission and some concerned offices, and visited a number of production and business establishments in Hanoi and Ho Chi Minh.

Do Muoi Greets Swiss Labor Party Delegation

BK0907151593 Hanoi VNA in English 1456 GMT 9 Jul 93

[Text] Hanoi VNA July 9—A delegation of the Swiss Labour Party led by Ms. Anjuska Weil, member of the Presidium, and secretary of the party Central Committee, paid a visit to Vietnam from June 30 to July 9, 1993.

While, here, the delegation was received by Do Muoi, secretary general of Communist Paty of Vietnam [CPV] Central Committee.

Do Muoi informed the delegation of the situation in Vietnam, and the policies and tasks of the Vietnamese party and state in the present stage aimed at advancing the country to a new step of development. He sincerely thanked the party and people of Switzerland for enthusiastically supporting the Vietnamese revolutionary cause, and affirmed the Vietnamese party and people's continuation to strengthen their friendship with the Swiss Labour Party and people.

Talks were held here by a CPV delegation led by Le Phuoc Tho, Politburo member and secretary of the CPV Central Committee, and the Swiss party delegation.

The two sides informed each other of the situation of each party and each country, and expressed their wish for the further strengthening and development of the relations between the two parties, and the solidarity between the Swiss and Vietnamese people.

Ms. Anjuska Weil reiterated that solidarity with Vietnam was the tradition of the Swiss Labour Party, and that in the new situation, the party would try to find appropriate forms of activities to step up support for Vietnam.

The Swiss guests visited Ho Chi Minh City, the southern Province of Song Be and a number of research, economic and health establishments in these localities.

Boat People Repatriated From Hong Kong 7 Jul

BK1107155293 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 7 Jul 93

[Summary] On 7 July, a group of 265 Vietnamese refugees were repatriated from refugee camps in Hong Kong, thus raising the number of Vietnamese returnees from Hong Kong to over 30,000.

Starting from March 1989, the voluntary repatriation program of the United Nations High Commission for Refugees [UNHCR] brought back pver 43,000 boat people from various refugee camps in Hong Kong and Southeast Asian countries.

Representatives of the Interior Minstry; Foreign Ministry; Labor, War Invalids, and Social Welfare Ministry; and UNHCR officials were present at the Noi Bai Airport in Hanoi to mark the return of the 30,000th boat person to Vietnam.

Trieu Van The, assistant director of Exit Permit Department under the Interior Ministry, spoke on the occasion and said that "Vietnam has contributed greatly to the program and the boat people now should quickly come back to rebuild their lives as well as to contribute in the construction of the country."

Mr. (Robert Vanoven), UNHCR representative in Hong Kong who also flew from Hong Kong with the group, said that there presently were still about 38,500 refugees in the Hong Kong closed camps. The number of people awaiting political refugee status screening has gone down from 14,000 in July 1989, to 2,200 at present.

Mr. (Christopher Carpenter), UNHCR representative in Hanoi, revealed that the allowance of about $360, which is presently granted to each returnee, might be reduced. This is so those people who do not return home quickly will be disadvantaged.

Radio Views Restoration of Ties With IMF

BK1007133493 Hanoi Voice of Vietnam in English 1000 GMT 9 Jul 93

[Station commentary]

[Text] Mr. (Eric Petali), a representative of the IMF in Vietnam said that the way is now clear for Vietnam to rejoin international financial organizations. Mr. (Petali) was speaking in an interview granted to the Labor Newspaper in Hanoi recently.

United States President Bill Clinton's decision to unblock loans to Vietnam has been welcomed by not only the IMF but also other financial bodies in the world. The IMF representative in Vietnam said his organization always expresses its hope for an early normalization of relations between Vietnam and other international financial organizations.

Mr. (Petali) said President Clinton's statement, first of all, abolished technical obstacles for Vietnam to clear its arrears to the IMF. The IMF representative office in Hanoi has been busy in the past few days as its officials draft a plan regarding Vietnam.

If Vietnam needs loans, Vietnam and the IMF need to start examining feasibility conditions for that to happen. The first step is the discussion to be held at the IMF headquarter on 15 July.

Mr. (Petali) said an IMF delegation will arrive in Hanoi to discuss concrete steps for Vietnam to borrow loans when it repays its $140 million debt to the IMF. France and Japan are the first countries to support Vietnam to resume dealing with the IMF. These two countries said they would provide loans to help Vietnam pay its debt. Vietnam is now set to rejoin global financial organizations.

Deputy Foreign Minister Speaks on Human Rights

BK1307071393 Hanoi Voice of Vietnam in English 1000 GMT 12 Jul 93

[Text] Vietnamese Deputy Foreign Minister Le Mai maintained that the recent Vienna international conference on human rights has positive results in international cooperation. Last weekend during a meeting with Vietnamese journalists, Mr. Le Mai outlined Vietnam's policy on human rights. He also evaluated the conference's results.

[Begin Le Mai recording in Vietnamese fading into English translation] In general, the second international conference on human rights was successful with many documents being approved. This conference took place in a situation completely different from that of the first conference in Tehran in 1986. Developing countries and progressive forces in the world are meeting with many difficulties, especially in the fields of politics, economy, and society. Meanwhile Western countries have different conceptions on human rights. In spite of some compromising points in the documents from the conference, in general, the world has found a common voice. The success of this conference does not mean the success of one side over the other, but lies in the fact that all sides succeeded in sitting together to discuss [words indistinct] issue.

The positive result of this conference will promote international cooperation and national concerns over the human rights issue. The result of the conference will also facilitate the atmosphere of dialogue and international solidarity towards human rights issue.

On Vietnam's contribution to the success of the conference, Deputy Foreign Minister Le Mai said: The Vietnamese delegation actively participated in the general forum as well as in the specialized forum with a constructive attitude. Vietnam is much concerned for fundamental issues, such as the right to national independence, national sovereignty, the right to national self-determination, and the right to development. Vietnam paid much attention to the strict observance to the UN Charter and existing international documents on human rights, especially the right to socioeconomic development. Vietnam also has constructive attitude to international cooperation on human rights.

National Assembly Issues Communique No. 17

BK1207153393 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 12 Jul 93

[Communique No. 17 of the Ninth National Assembly's Third Session]

[Text] Today, 12 July, the National Assembly held a plenary session at the conference hall in Hanoi under the direction of National Assembly Chairman Nong Duc Manh to discuss and adopt the draft law on land.

A total of 70 deputies contributed their viewpoints to a number of articles of this draft law. They include Nguyen Khac Tao, Trinh Hong Suong, Nguyen Thi Thu, Tang Nghia, and Tran Quoc Thai from Ha Tinh Province; Le Thi Binh, Le Duc Binh, and Nguyen Trong Xuyen from Ninh Binh; Nguyen Viet Dung, Mai Thuc Lan, Nguyen Van Nhat, Nguyen Hoa Binh, Nguyen Thi Nhung, and Nguyen Thuy Cai from Ha Bac; Ha Thai Binh from Soc Trang; Le Van Chi and Dang Nhat Minh from Thanh

Hoa; Bui Van Tam and Tran Van Nien from Kien Giang; Le Xuang Tung and Dinh Hanh from Hanoi; Nguyen Phu Cuong, Bui Ngoc Thanh, and Vi Xuan Thanh from Lang Son; Nguyen Van Khang, Phan Minh Thanh, and Nguyen Thi Hoai Thu from Tien Giang; Nguyen Don, Nguyen Ba Thanh, Nguyen Van Tri, and Le Quoc Khanh from Quang Nam-Danang; Ha Dang from Phu Yen; Tran Du Linh, Huynh Thi Nhan, Le Khac Binh, and Catholic Priest Phan Khac Tu from Ho Chi Minh City; Huu Tho from Vinh Phu; Pham Hung from Hai Hung; Nguyen Dinh Loc from Yen Bai; Nguyen Thanh Phong and Phan Minh Tanh from Dong Thap; Dam Van Nguy and Nguyen Truc Luyen from Cao Bang; Le Minh Tung from An Giang; Vuong Thi Nghi and Cu Hoa Van from Lau Cai; Trinh Chan and Hoang Thua from Ha Giang; Nguyen Khoa Kim Boi, Vo Nguyen Quang, and Nguyen Dinh Mo from Thua Thien-Hue; Tran Hoa and Phan Lam Phuong from Quang Binh; Tran Van Ngau from Ben Tre; Y Ngong Nie Kdam from Dac Lac; Ha Thi Khiet from Tuyen Quang; Nguyen Binh Giang and Nguyen Thi Le from Quang Ninh; Truong Thi Khue from Quang Tri; Nguyen Khuong and Hoang Bich Son from Binh Thuan; Vu Binh Mao and Vu Thi Ngoc Dau from Thai Binh; Cao Xuan Khuong, Nguyen Quoc Thuoc, and Nguyen Nhu Vy from Nghe An; Duong Tan De from Vinh Long; Tran Chu Toan from Gia Lai; Nguyen Xuan Sinh from Can Tho; and Dang Quoc Tien from Bac Thai.

At the afternoon session, Vu Mao, head of the National Assembly Secretariat, read a report and a draft resolution on the amendment and supplement to the National Assembly 1993 legislative program which was revised on the basis of the viewpoints contributed by National Assembly deputies.

Tomorrow, 13 July, the National Assembly will continue its work at the conference hall.

13 Jul Morning Proceedings

BK1307070793 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 13 Jul 93

[Text] Today is the 24th working day of the Ninth National Assembly's Third Session. The assembly held a plenary session in the Conference Hall under the direction of Chairman Nong Duc Manh.

The deputies continued to discuss the amended draft of the land law. Deputies Phung Quang Hung of Vinh Phu, Dam Van Nguy of Cao Bang, Dang Van Hai of Ha Tay, Lam Phuc Co of Yen Bai, Huu Tho of Vinh Phu, Danh Ut of Kien Giang, Pham Tan Dinh of Can Tho, Lo Van Ninh of Lai Chau, Pham Thi Son of Ba Ria Vung Tau, Nguyen Van Rang of Ho Chi Minh City, and Nguyen Bang of Nghe An made many concrete suggestions to amend the draft.

Comrade Ha Manh Tri, representing the Drafting Committee of the Secretariat and the National Assembly's Judiciary Committee, gave a recapulative report to sum up deputies' suggestions to Chapters 1, 2, and 3 of the draft.

Late in the morning, the deputies voted and passed the official name of the law as the Land Law, and Chapter No. 1 of the draft, article by article.

13 Jul Afternoon Proceedings

BK1307114593 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 13 Jul 93

[Text] In the afternoon, after expressing their views, the National Assembly deputies voted on Articles 20, 38, 44, 51, and 65 of the draft land law. Then they continued to contribute their views on the remaining articles of Chapters One, Two, and Three of the draft.

Comrade Ha Manh Tri, on behalf of the National Assembly Drafting Committee, the National Assembly Secretariat, and the National Assembly Judiciary Committee, continued to report on deputies' views on the draft. Next, the deputies debated and contributed their opinions to the draft land law.

Australia

Minister Hopes U.S.-Japan Pact Not Managed Trade

BK1307063093 Melbourne Radio Australia in English 0500 GMT 13 Jul 93

[Text] Canberra says a new trade deal between the United States and Japan could be good news for Australian farmers and exporters. But as Mark Tamhane reports, Australia's Trade Minister Peter Cook has warned that the government will be watching the Japan-America Framework Agreement closely to ensure it does not turn into a managed trade arrangement.

[Begin recording] [Tamhane] Australia has urged the United States not to resort to managed trade in Washington's attempts to get more access to the Japanese market.

Canberra has already been hurt by an earlier trade deal where Tokyo agreed to buy more American car parts at the expense of Australian producers. But Senator Cook says last week's framework agreement does not appear to be a managed trade deal.

[Cook] Our understanding of the content of that agreement is a commitment by the Japanese to open their markets in a phased way and a commitment by the United States to lower its budget deficit. Both things are of advantage to Australia and that may mean that Australia can get more goods and services into the Japanese market because of market openings there; it may mean on the U.S. side less subsidy, less unfair competition and a more even playing field for Australia as an efficient producer to compete. [End recording]

Meanwhile, Australia has welcomed an American decision not to subsidise dairy exports to the Philippines. Senator Cook says the decision is a significant outcome for Australia and shows the effectiveness of Australia's efforts to lobby the Clinton administration. The United States has been considering extending its Dairy Industry Enhancement Scheme to the Philippines skim milk market, which is worth $68 million annually to Australia.

Beef Industry Gains Access to ROK Market

BK1307102293 Hong Kong AFP in English 0813 GMT 13 Jul 93

[Text] SYDNEY, July 13 (AFP)—Canberra's increasingly cordial links with Seoul paid dividends Tuesday, giving Australia an important breakthrough in access to South Korea's beef market and boosting hopes of increased exports to the booming North Asian economy.

Negotiations in Seoul concluded late Monday with agreement by Korea to almost double its import quota for beef over the next three years, and to end what has been seen here as discrimination against Australian grass-fed beef.

News of the deal prompted Trade Minister Peter Cook to predict Tuesday that Korea would replace the United States as Australia's second most important export market.

"At this rate Korea is likely to overtake in the next four or five years the United States as our second most important market after Japan," Cook told reporters.

The agreement comes only three weeks after Prime Minister Paul Keating's visit to South Korea in which he was warmly welcomed by South Korea's new civilian President Kim Young Sam.

They did not talk specifically about beef, but the two had detailed discussions about improved access to each other's markets, an official in Canberra said Tuesday. "Their talks must have helped," he added.

Korea, currently Australia's third-ranked market behind Japan and the United States, has steadily increased its consumption of Australian exports over recent years.

Cook said the beef agreement could lead to a 70 percent increase in Australia's exports which last year earned 247 million Australian dollars (165 million U.S.).

"Beef producers have been doing it pretty tough lately, this is good news for them, good news for Australia," Cook said.

Korean imports from Australia rose to 3.65 billion dollars in calendar 1992 from 3.4 billion dollars the previous year, while exports to the United States fell over the same period to 5.1 billion dollars from 5.4 billion dollars.

Japan's share has been steady at 14.9 billion dollars annually.

The beef deal was warmly welcomed by industry leaders.

Cattle Council president John Mactaggart said it would give a welcome boost of confidence to the industry, while Australian Meat and Livestock Corporation (AMLC) managing director Bruce Standen said its significance went beyond Korea's minimum tonnage agreement.

"Australian beef has been at a disadvantage compared to beef supplied by other countries, like the United States," Standen said.

"The new agreement will allow Australian beef to increasingly compete equitably in the wholesale market segment, which accounts for about half of all beef imports into Korea."

"Developing segments of the market, such as restaurants, butchers and supermarkets will be more available to Australian suppliers."

Korea agreed to lift its minimum access level from 66,000 tonnes in 1992 to 99,000 tonnes in 1993, 106,000 tonnes in 1994, and 113,000 tonnes in 1995.

Negotiations on full liberalisation of the Korean market will begin in 1995.

Mactaggart said Australia was ideally suited to supply Korea with both grass and grain fed quarter beef.

"This is positive news for the Australian beef industry and will help considerably to correct the dampening effects of restricted access to North America," Mactaggart said in a statement.

Although the prolonged access negotiations had caused some disruption in the tendering process for beef shipments to Korea, the Cattle Council now expected the composition and quantity in Korean tenders to more closely reflect trade and consumer needs.

"There is strong evidence to suggest that grass-fed quarter beef has been discriminated against in recent tenders and it is hoped that normality will now return to the market place," he said.